

ANNUAL FINANCIAL REPORT

SUMNER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2018

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JUSTIN P. WILSON

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This financial report is available at www.comptroller.tn.gov

SUMNER COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Sumner County, Tennessee
For the Year Ended June 30, 2018

Scope

We have audited the basic financial statements of Sumner County as of and for the year ended June 30, 2018.

Results

Our report on Sumner County's financial statements is unmodified.

Our audit resulted in one finding and recommendation, which we have reviewed with Sumner County management. The detailed finding, recommendation, and management's responses are included in the Single Audit section of this report.

Finding

The following is a summary of the audit finding:

SUMNER COUNTY

- ◆ Sumner County has not fully implemented the Financial Management Modernization System Private Act of 2012.

INTRODUCTORY SECTION

Sumner County Officials

June 30, 2018

Officials

Anthony Holt, County Executive
Judy Hardin, Superintendent of Roads
Del R. Phillips, III, Director of Schools
Marty Nelson, Trustee
John Isbell, Assessor of Property
Bill Kemp, County Clerk
Kathryn Strong, Circuit, General Sessions, and Juvenile Courts Clerk
Mark Smith, Clerk and Master
Cindy Briley, Register of Deeds
Sonny Weatherford, Sheriff
David Lawing, Director of Finance
Leah Dennen, Law Director

Board of County Commissioners

Scott Langford, Chairman	Moe Taylor
Billy Geminden	Larry Hinton
Alan Driver	Steve Graves
Jerry Foster	Leslie Schell
Danny Sullivan	Baker Ring
Kevin Pomeroy	Jim Vaughn
Loren Echols	Trisha Lemarbre
Paul Decker	Merrol Hyde
Jerry Becker	Chris Taylor
Paul Goode	Caroline Krueger
Mike Akins	Bill Taylor
Michael Guthrie	Bob Pospisil

Board of Education

Tim Brewer, Chairman	Jeff Cordell
Alice Bachman	Sarah Andrews
Andy Daniels	Glen Gregory
David Brown	Patricia Brown
Jim Hawkins	Ted Wise
Tammy Hayes	

(Continued)

Sumner County Officials (Cont.)

Financial Management Committee

Jerry Becker, Chairman
Anthony Holt, County Executive
Judy Hardin, Superintendent of Roads
Del R. Phillips, III, Director of Schools

Chris Taylor
Caroline Krueger

Audit Committee

Scott Langford, Chairman
Kevin Pomeroy
Chris Taylor

Caroline Krueger
Bob Pospisil

Highway Commission

Steve Graves, Chairman
Anthony Holt, County Executive
Judy Hardin, Superintendent of Roads
Larry Hinton
Mike Akins

Merrol Hyde
Bill Taylor
Caroline Krueger
Tom Neal, Citizen

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Sumner County Executive and
Board of County Commissioners
Sumner County, Tennessee

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumner County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumner County, Tennessee, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Sumner County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.9. in the financial statements, which describes a prior-period adjustment to reduce the primary government's beginning net position by \$815,000 on the Government-wide Statement of Activities. This restatement was necessary because the primary government's capital assets were overstated in the prior year.

We draw attention to Note I.D.10 in the financial statements, which describes restatements reducing the beginning net position of the Governmental Activities of the primary government and the discretely presented Sumner County School Department by 3,829,804 and \$24,029,938, respectively. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and a change in capital assets. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15-35 and the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedules of county and school changes in the total other postemployment benefit liabilities and related ratios on pages 129-139 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sumner County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Sumner County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

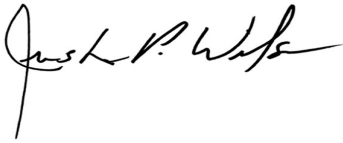
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Sumner County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Sumner County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2019, on our consideration of Sumner County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sumner County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sumner County's internal control over financial reporting and compliance.

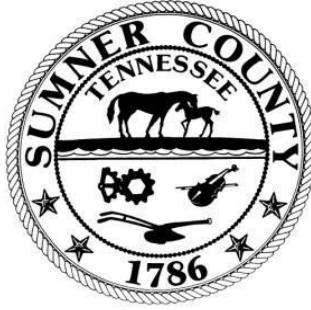
Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 1, 2019

JPW/yu



Management's Discussion and Analysis For Sumner County, Tennessee

As management for Sumner County, Tennessee, we offer readers, of Sumner County Government's financial statements, this narrative overview and analysis of the financial activities of Sumner County Government for the fiscal year ended June 30, 2018. In addition, this discussion and analysis includes an overall view of the discretely presented component unit (DPCU), the Sumner County School Department. A separate set of financial statements is not issued for the Sumner County School Department. The intent of this discussion and analysis is to look at the county's and the discretely presented Sumner County School Department's financial performance as a whole.

The Sumner County Regional Airport Authority, the Sumner County Emergency Communications District, the Sumner County Convention and Visitors Bureau, and the Resource Authority in Sumner County are also discretely presented component units of the county. The financial statements of these component units, which require discrete presentation, were excluded from this report. The effect of these exclusions is not material to the financial statements. Readers should review the separately issued financial statements and management's discussions and analyses, if any are available, for these discretely presented component units.

FINANCIAL HIGHLIGHTS

- ❖ The assets and deferred outflows of resources of the Sumner County Government exceeded its liabilities and deferred inflows at the close of the fiscal year by approximately \$33 million. However, it should be noted that the financial statements of the Sumner County Government include debt of approximately \$130 million attributable to the Sumner County Board of Education. The discretely presented Sumner County School Department's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by approximately \$273 million at June 30, 2018.
- ❖ The primary government's total net position increased by approximately \$5.5 million, which is net of an approximate (\$4 million) restatement and a (\$815,000) prior-period adjustment. The discretely presented Sumner County School Department's net position increased by approximately \$4.5 million, which is net of an approximate (\$24 million) restatement.
- ❖ As of the close of the fiscal year, Sumner County's governmental funds reported approximately \$80 million of total fund balances, which is an approximate decrease of \$8

million from the previous fiscal year. This decrease is predominately the result of a decrease of approximately \$6.5 million in the General Capital Projects Fund, a decrease of approximately \$2 million in the General Debt Service Fund, an increase of approximately \$1 million in the General Fund, and a decrease of approximately \$500 thousand in the Highway/Public Works Fund. The discretely presented Sumner County School Department's governmental funds reported approximately \$48 million of total fund balances, which is an approximate increase of \$8.7 million from the previous fiscal year. This increase is predominately in the General Purpose School Fund.

- ❖ At the end of the current fiscal year, the unassigned fund balance of the General Fund was approximately \$17 million, or approximately 29 percent, of the General Fund's annual budgetary expenditures (including other uses). The unassigned fund balance of the discretely presented Sumner County School Department's General Purpose School Fund was approximately \$23 million, or approximately 9.6 percent, of the fund's annual budgetary expenditures (including other uses).
- ❖ Sumner County Government's total outstanding long-term debt decreased by approximately \$14.5 million during the current fiscal year due to payments of maturing long-term bonds.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Sumner County Government's and the discretely presented Sumner County School Department's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This annual financial report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Sumner County Government's and the discretely presented Sumner County School Department's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents financial information on all of the Sumner County Government's and the discretely presented Sumner County School Department's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sumner County Government and the discretely presented Sumner County School Department is improving or deteriorating.

The Statement of Activities presents information showing how the Sumner County Government's and the discretely presented Sumner County School Department's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Sumner County Government and of the discretely presented Sumner County School Department that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the Sumner County Government include: general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways/public works; and education. The Sumner County Government and the discretely presented Sumner County School Department have no business-type functions.

The government-wide financial statements include not only the Sumner County Government (known as the primary government) but also a legally separate school system for which the Sumner County Government is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found in Exhibits A and B.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Sumner County Government and the discretely presented Sumner County School Department, like other state and local governments, use fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. All funds of the Sumner County Government and the discretely presented Sumner County School Department can be divided into three broad categories: governmental, proprietary, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in the evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Sumner County Government maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, General Debt Service, and General Capital Projects funds, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-

major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. The discretely presented Sumner County School Department maintains two individual governmental funds: the General Purpose School and School Federal Projects funds.

The Sumner County Government adopts an annual budget for the General Fund, all special revenue funds (except the constitutional officers fees fund), and the General Debt Service Fund. The discretely presented Sumner County School Department, with the approval of the county, adopts an annual budget for the General Purpose School and School Federal Projects funds. Budgetary comparisons have been provided for these funds to demonstrate budgetary compliance.

Governmental fund financial statements can be found in the table of contents.

Proprietary Funds. The Sumner County Government maintains one type of proprietary fund, an internal service fund. An internal service fund is an accounting device used to accumulate and allocate costs internally among the Sumner County Government's various functions. The Sumner County Government uses an internal service fund to account for the county's self-insured insurance funds (occupational compensation insurance, employee health insurance, employee dental insurance, and liability insurance). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The discretely presented Sumner County School Department maintains one type of proprietary fund, an internal service fund. The discretely presented Sumner County School Department uses an internal service fund to account for its self-insured insurance funds (employee health insurance).

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements for the Sumner County Government can be found in Exhibits D-1 through D-3 and, for the discretely presented Sumner County School Department, in Exhibits J-8 through J-10.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Sumner County Government's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Sumner County Government maintains one type of fiduciary fund, an agency fund. An agency fund reports resources held by the Sumner County Government in a custodial capacity for individuals, private organizations, or other governments. The basic fiduciary fund financial statement can be found in Exhibit E.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located in the table of contents.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Sumner County Government's and the discretely presented Sumner County School Department's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. A table of contents has been provided to locate this information.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Sumner County Government, assets and deferred outflows exceeded liabilities and deferred inflows by \$33,011,634 at the close of its most recent fiscal year. The constitution for the State of Tennessee allows only the local legislative body to issue debt. Therefore, whenever the Sumner County Board of Education requires the issuance of debt to fund major capital projects or equipment purchases, the related debt must be issued by the Sumner County Government. At the end of the current fiscal year, the Sumner County Government had outstanding debt related to the Sumner County Board of Education of \$129,602,010. The related assets for this debt are reported in the Statement of Net Position under component units in the column "Sumner County School Department." The discretely presented Sumner County School Department's assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2018, by \$273,251,704.

The Sumner County Government's and the Discretely Presented Sumner County School Department's Net Position

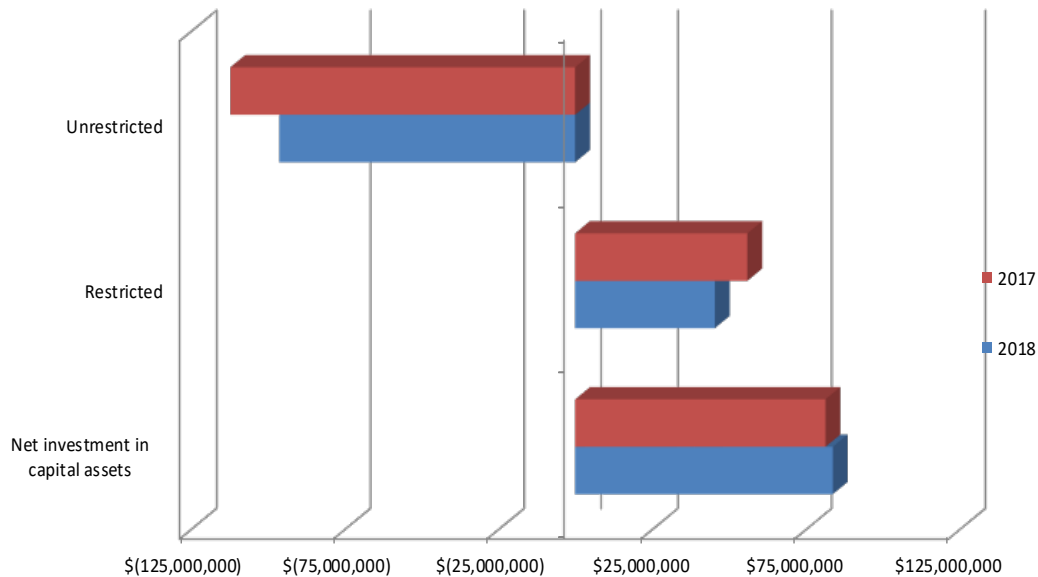
	Sumner County Primary Government Governmental Activities	
	June 30, 2018	June 30, 2017
Assets:		
Current and Other Assets	\$ 151,787,698	\$ 154,281,179
Capital Assets	92,739,834	95,446,653
Total Assets	<u>\$ 244,527,532</u>	<u>\$ 249,727,832</u>
Deferred Outflows of Resources:		
Deferred Charges on Refunding	\$ 2,249,361	\$ 3,057,418
Pension Changes	2,327,723	3,323,912
Pension Contributions After Measurement Date	3,746,494	4,013,081
OPEB Changes	121,635	-
OPEB Benefits Paid After Measurement Date	11,900	-
Total Deferred Outflows of Resources	<u>\$ 8,457,113</u>	<u>\$ 10,394,411</u>
Liabilities:		
Long-term Liabilities Outstanding	\$ 147,095,655	\$ 162,688,614
Other Liabilities	24,095,387	23,354,032
Total Liabilities	<u>\$ 171,191,042</u>	<u>\$ 186,042,646</u>
Deferred Inflows of Resources:		
Deferred Current Property Taxes	\$ 47,285,129	\$ 46,293,587
Pension Changes	1,165,365	229,748
OPEB Changes	331,475	-
Total Deferred Inflows of Resources	<u>\$ 48,781,969</u>	<u>\$ 46,523,335</u>
Net Position:		
Net Investment in Capital Assets	\$ 83,800,050	\$ 83,714,925
Restricted	45,444,374	56,006,068
Unrestricted	(96,232,790)	(112,164,731)
Total Net Position	<u>\$ 33,011,634</u>	<u>\$ 27,556,262</u>

-

	Sumner County School Department Governmental Activities	
	June 30, 2018	June 30, 2017
Assets:		
Current and Other Assets	\$ 143,851,173	\$ 122,184,422
Capital Assets	<u>254,445,277</u>	<u>249,271,305</u>
Total Assets	<u>\$ 398,296,450</u>	<u>\$ 371,455,727</u>
Deferred Outflows of Resources:		
Pension Changes	\$ 10,513,020	\$ 23,817,634
Pension Other Deferrals	836,872	1,106,918
Pension Contributions After Measurement Date	12,640,300	14,060,423
OPEB Changes	4,957,408	-
OPEB Contributions After Measurement Date	<u>425,908</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>\$ 29,373,508</u>	<u>\$ 38,984,975</u>
Liabilities:		
Long-term Liabilities Outstanding	\$ 65,330,497	\$ 53,917,657
Other Liabilities	<u>2,061,716</u>	<u>2,146,604</u>
Total Liabilities	<u>\$ 67,392,213</u>	<u>\$ 56,064,261</u>
Deferred Inflows of Resources:		
Deferred Current Property Taxes	\$ 65,718,240	\$ 64,340,164
Pension Changes	19,651,846	21,330,937
Pension Deferrals	251,707	-
OPEB Changes	<u>1,404,248</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$ 87,026,041</u>	<u>\$ 85,671,101</u>
Net Investment in Capital Assets	\$ 254,445,277	\$ 249,271,305
Restricted	9,212,458	5,675,240
Unrestricted	<u>9,593,969</u>	<u>13,758,795</u>
Total Net Position	<u>\$ 273,251,704</u>	<u>\$ 268,705,340</u>

By far, the largest portion of the Sumner County Government's and the discretely presented Sumner County School Department's net position, \$83,800,050 and \$254,445,277, respectively, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure) less any related outstanding debt that was used to acquire those assets. The Sumner County Government and the discretely presented Sumner County School Department use these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Sumner County Government's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Sumner County Government's and the discretely presented Sumner County School Department's net position, \$45,444,374 and \$9,212,458, respectively, represents resources that are subject to external restrictions on how they may be used. The remaining balance for the Sumner County Government of \$96,232,790 is an unrestricted deficit. The remaining balance for the discretely presented Sumner County School Department of \$9,593,969 is unrestricted.

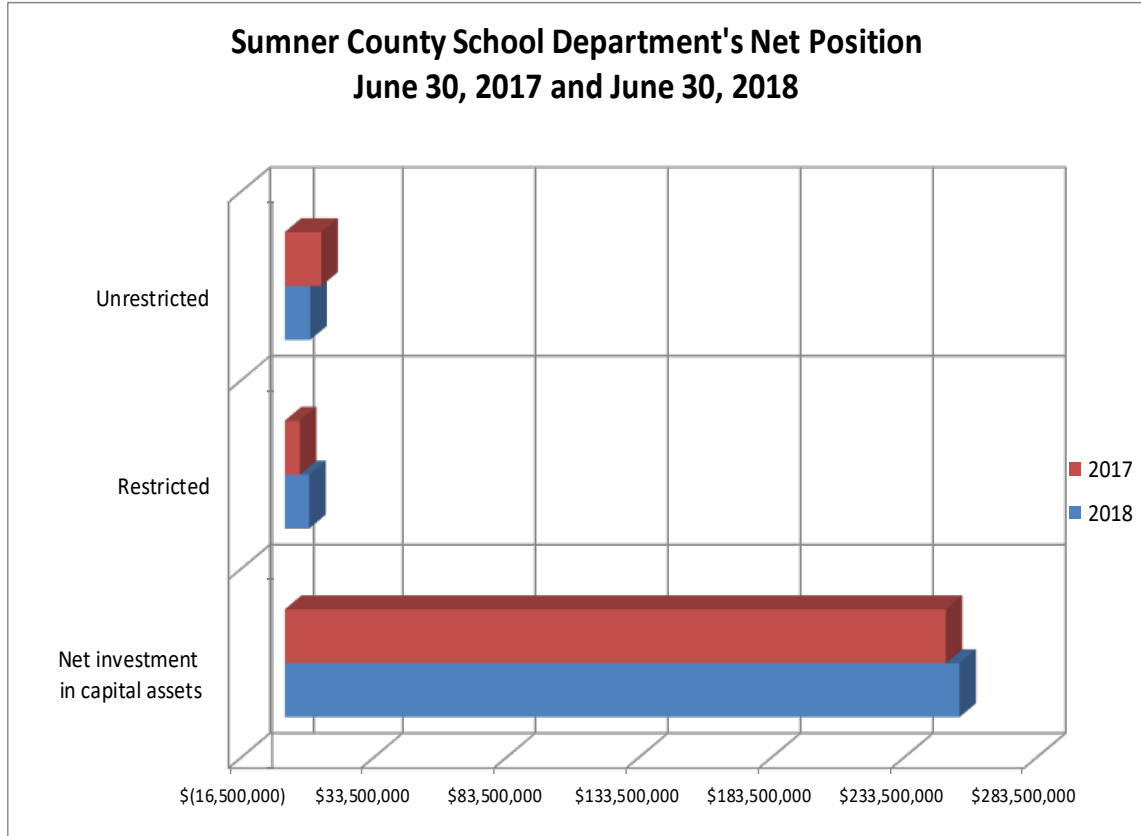
Sumner County, Tennessee's Net Position June 30, 2017 and June 30, 2018



The Sumner County Government's total net position increased by \$5,455,372 from the previous fiscal year. The increase is net of beginning balance adjustments: a prior-period adjustment of (\$815,000) for an insurance recovery, which reduced the beginning capital assets balance; a restatement of (\$1,486,874) for enterprise resource planning software no longer capitalized by the county, which reduced the beginning capital assets balance; and a restatement of (\$2,342,930) for recognition of other post-employment benefits net liability pursuant to the implementation of *Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which reduced beginning net assets. The primary reasons for this overall increase are enumerated below.

- A \$14,550,000 decrease in Sumner County Primary Government's long-term debt due to payments of maturing long-term bonds.
- A decrease of \$404,945 in capital assets due to capital asset purchases and donations of \$8,028,856 minus a loss on disposal of equipment of \$164,162 and depreciation of \$8,269,639. Additionally, the beginning balance was adjusted down for \$2,301,874 as noted in the preceding paragraph.
- Decreases of \$808,057 of deferred charges on refunding for the amortization of deferred amounts on refunding bonds and decreases of \$1,701,002 of unamortized debt premiums for the amortization of the premiums.

- An increase of \$1,478,368 in the net resources in the county's pension plan.
- An increase of \$2,860,283 in other post-employment benefits net liability (including deferred inflows and outflows). Of the postemployment benefits net liability increase, \$2,342,930 was a restatement pursuant to the adoption of the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- Sumner County's governmental funds decreased by \$7,719,245 from the previous fiscal year. This decrease is predominately the result of a decrease of \$6,517,016 in the General Capital Projects Fund from expending bond proceeds from a previous fiscal year issuance, a planned (budgeted) decrease of \$1,886,756 in the General Debt Service Fund's balance, an increase of \$1,117,661 in the General Fund due to appropriations exceeding expenditures, and a decrease of \$503,337 in the Highway/Public Works Fund, which was a planned (budgeted) decrease.
- Sumner County's internal service fund balance increased by \$2,002,474, primarily as the result of revenues exceeding expenses in the self-insured health program.



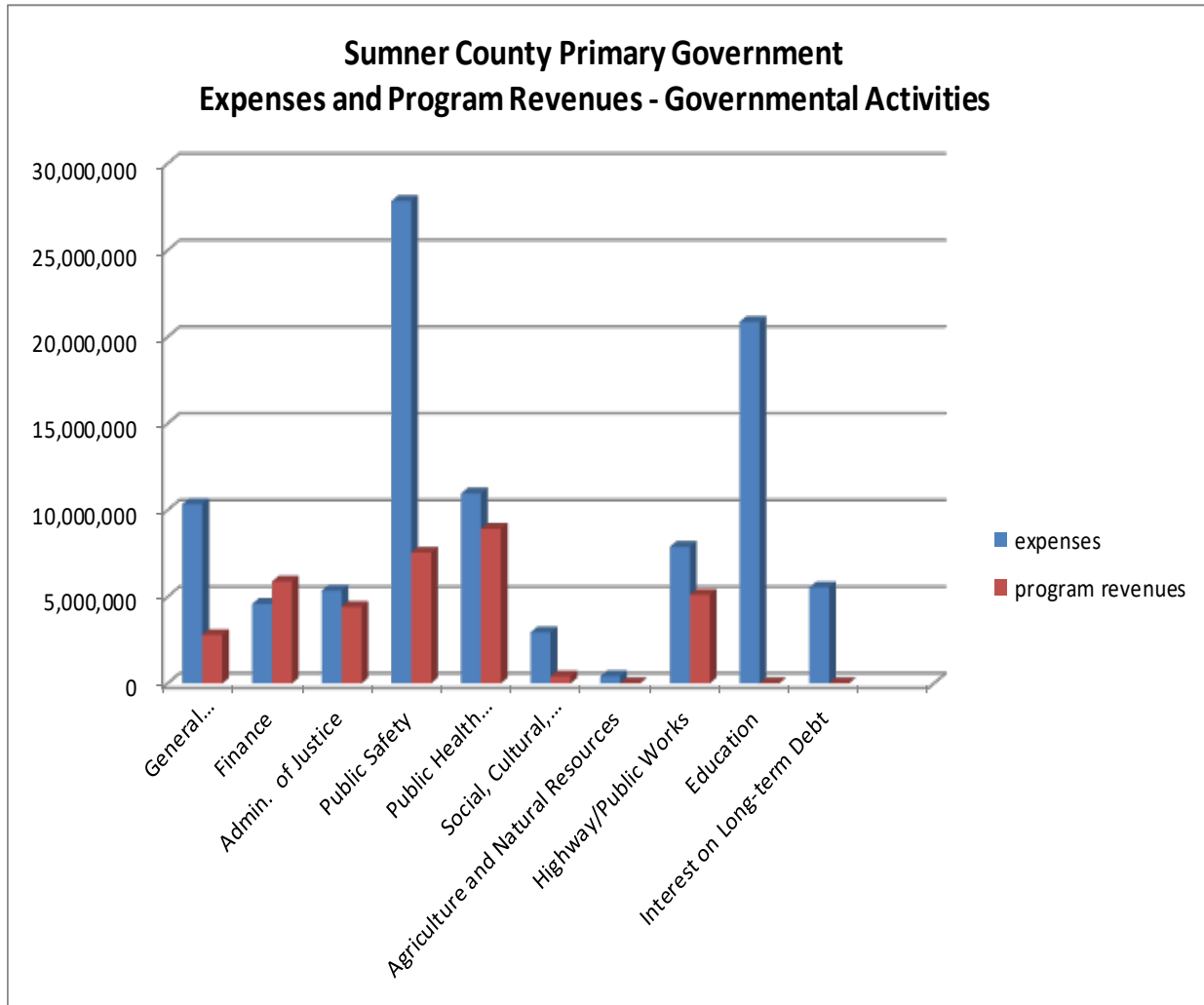
The discretely presented Sumner County School Department's net position increased by \$4,546,364 from the previous year. This increase is net of a (\$24,029,938) restatement, a reduction in the beginning net position, for adopting the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The Sumner County Government's and the Discretely Presented Sumner County School Department's Changes in Net Position

	Sumner County Primary Government Governmental Activities	
	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
Revenues:		
Program Revenues:		
Charges for Services	\$ 23,169,338	\$ 22,024,235
Operating Grants and Contributions	6,563,538	5,578,275
Capital Grants and Contributions	5,326,170	3,101,265
General Revenues:		
Property Tax	46,313,314	44,957,910
Local Option Sales Tax	9,127,881	8,644,753
Wheel Tax	2,139,295	2,098,525
Mixed Drink Tax	-	2,659
Interstate Telecommunications Tax	102,624	6,266
Business Tax	2,207,600	2,214,330
Adequate Facilities/Development Tax	2,974,896	3,034,709
Hotel/Motel Tax	924,681	751,787
Wholesale Beer Tax	455,984	470,220
Litigation Tax	1,284,590	1,142,437
Mineral Severance Tax	227,103	205,790
Beer Privilege Tax	2,627	2,455
Local Amusement Tax	1,927	1,221
Other Statutory Local Taxes	7,650	58,551
Grants and Contributions Not Restricted to Specific Programs	4,086,229	4,410,903
Unrestricted Investment Income	1,736,180	1,075,737
Miscellaneous	112,441	53,333
Gain from Sale of Capital Assets	79,958	-
Total Revenues	<u>\$ 106,844,026</u>	<u>\$ 99,835,361</u>

Expenses:		
General Government	\$ 10,354,202	\$ 9,792,477
Finance	4,582,347	4,310,312
Administration of Justice	5,359,935	4,584,418
Public Safety	27,834,706	21,048,061
Public Health and Welfare	10,956,926	13,148,331
Social, Cultural, and Recreational Services	2,949,501	2,736,173
Agriculture and Natural Resources	421,670	419,087
Highways	7,882,956	5,868,209
Education	20,859,754	24,974,755
Interest on Long-term Debt	<u>5,541,853</u>	<u>6,162,967</u>
Total Expenses	<u>\$ 96,743,850</u>	<u>\$ 93,044,790</u>
Increase (Decrease) in Net Position	\$ 10,100,176	\$ 6,790,571
Restatement - See Note I.D.10.	(3,829,804)	-
Prior-period Adjustment - See Note I.D.9.	(815,000)	-
Net Position - Beginning	<u>27,556,262</u>	<u>20,765,691</u>
Net Position - Ending	<u>\$ 33,011,634</u>	<u>\$ 27,556,262</u>

Sumner County School Department			
Governmental Activities			
	Fiscal Year Ended		Fiscal Year Ended
	June 30, 2018		June 30, 2017
Revenues:			
Program Revenues:			
Charges for Services	\$ 7,957,758	\$	8,129,535
Operating Grants and Contributions	16,233,843		17,294,400
Capital Grants and Contributions	21,118,129		25,282,120
General Revenues:			
Property Tax	64,366,561		62,484,071
Local Option Sales Tax	18,258,493		17,291,868
Wheel Tax	4,990,956		4,895,855
Mixed Drink Tax	281,270		259,970
Interstate Telecommunications Tax	152,754		12,590
Grants and Contributions Not			
Restricted to Specific Programs	148,258,254		142,916,408
Unrestricted Investment Earnings	60,881		40,089
Miscellaneous	260,100		200,055
Total Revenues	<u>\$ 281,938,999</u>	<u>\$</u>	<u>278,806,961</u>
Expenses:			
Education	<u>\$ 253,362,697</u>	<u>\$</u>	<u>242,838,098</u>
Total Expenses	<u>\$ 253,362,697</u>	<u>\$</u>	<u>242,838,098</u>
Increase (Decrease) in Net Position	\$ 28,576,302	\$	35,968,863
Restatement - See Note I.D.10.	(24,029,938)		-
Net Position - Beginning	268,705,340		232,736,477
Net Position - Ending	<u>\$ 273,251,704</u>	<u>\$</u>	<u>268,705,340</u>

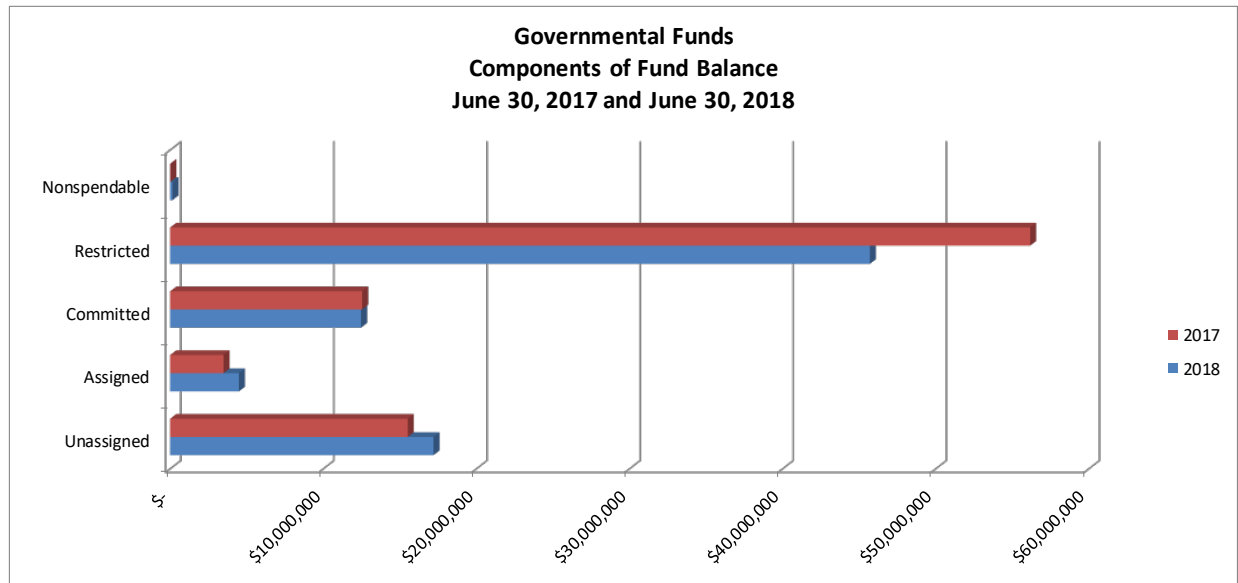


Financial Analysis of the Governmental Funds

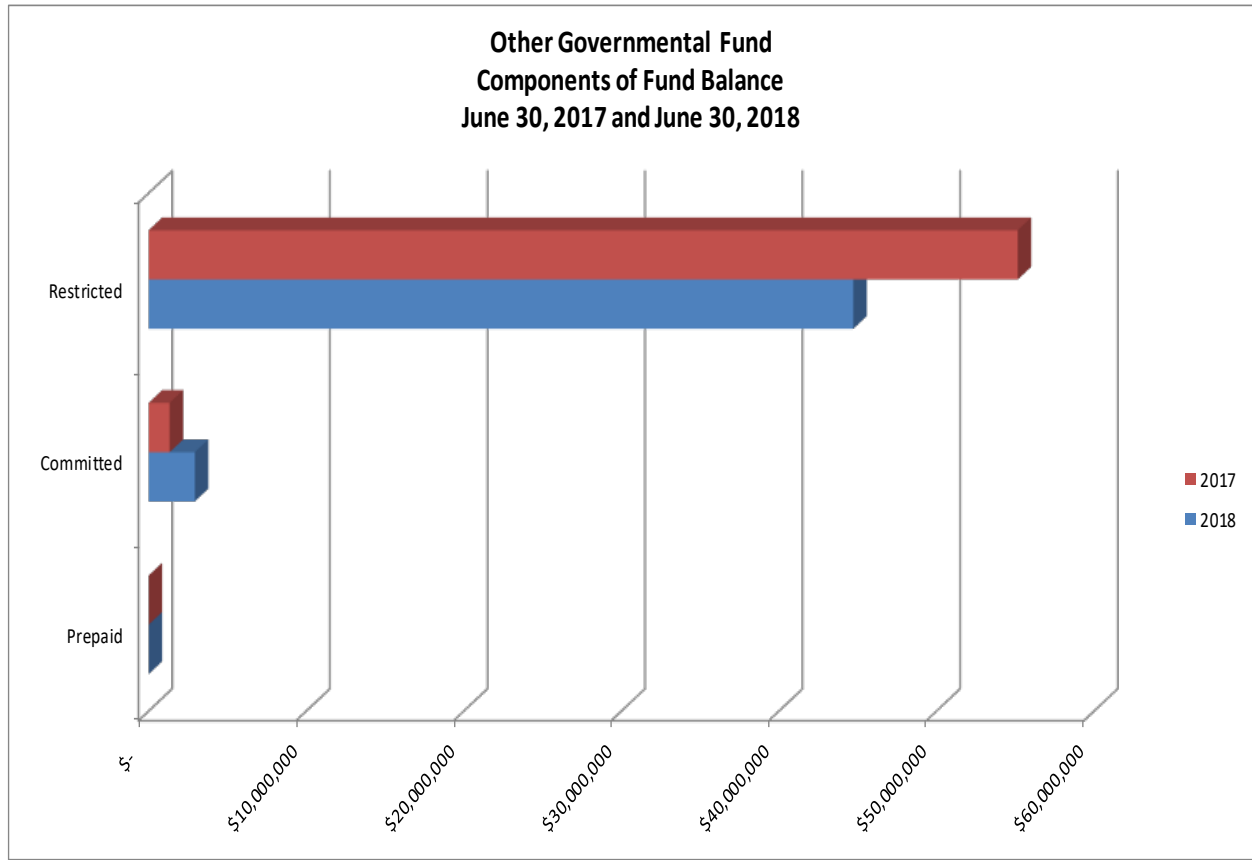
As noted earlier, the Sumner County Government and the discretely presented Sumner County School Department use fund accounting to ensure and to demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the Sumner County Government's and the discretely presented Sumner County School Department's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sumner County Government's and the discretely presented Sumner County School Department's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Sumner County Government, the discretely presented Sumner County School Department, or a group of individuals that has been delegated authority to assign resources to use for particular purposes by the Sumner County Commission.

At June 30, 2018, Sumner County's governmental funds reported combined fund balances of \$80,002,206, a decrease of \$7,719,245 in comparison with the prior year. Approximately 21.5 percent of this amount, \$17,196,107, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form (\$152,127); 2) restricted for particular purposes (\$45,695,776); 3) committed for particular purposes (\$12,468,033); or 4) assigned for particular purposes (\$4,490,163).



The General Fund is the chief operating fund of the Sumner County Government. At the end of the current fiscal year, the unassigned fund balance was \$17,196,107, while the total fund balance was \$32,344,184. However, it should be noted that the unassigned fund balance is net of \$3,971,424, assigned (approved) for use in the budget for the fiscal year ending June 30, 2019. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 29 percent of the total General Fund's budgetary expenditures, while total fund balance represents approximately 54 percent of that same amount.



The General Fund had a \$1,117,661 increase in fund balance, which was primarily the result of appropriations exceeding expenditures.

The General Debt Service Fund, a major fund, had a \$1,886,756 decrease in fund balance, which was the result of a budgeted decrease in fund balance.

The Highway/Public Works Fund had a \$503,337 decrease in fund balance, which was the result of a budgeted decrease in fund balance.

The General Capital Projects Fund, the remaining major governmental fund, had a \$6,517,016 decrease in fund balance, which was predominately the result of expending proceeds from long-term bonds issued during a prior fiscal year.

General Fund Budgetary Highlights

Original budget compared to final budget. The difference in the original budget's and the final budget's appropriations was an increase of \$3,773,653 compared to the original budget of \$61,420,228. Of this amount, \$2,459,823 was funded from fund balances. Following are the main components of the increase.

- \$12,386 supplemental appropriation for the Walk Across Sumner program funded by an estimated increase in state grant revenue of \$5,000 and \$7,386 from the Walk Across Sumner restricted fund balance.
- \$27,500 supplemental appropriation for the Bridal House for improvements funded by an estimated increase in auction proceeds revenue of \$27,500.
- \$5,416 supplemental appropriation for emergency medical services ambulance repairs funded by insurance recovery proceeds.
- \$119,876 supplemental appropriation for the Health Department's Direct Grant Access Grant funded from an estimated increase in state grant revenue.
- \$30,709 supplemental appropriation to the emergency management agency funded \$30,709 from a federal disaster reimbursement.
- \$40,000 supplemental appropriation to the drug court funded by an estimated increase in federal grant revenue.
- \$13,766 supplemental appropriation for various library grants funded by an estimated increase in federal revenues of \$10,102 and state revenues of \$3,664.
- \$1,200,541 supplemental appropriation to the Sheriff's Department for inmate medical services funded by an estimated increase in state revenue of \$467,386 and from unassigned fund balance of \$733,155.
- \$397,318 supplemental appropriation to the emergency medical services for the Portland EMS facility staffing and medical reimbursement funded from an estimated increase in patient charges revenue.
- \$25,000 supplemental appropriation to the drug court funded from an estimated increase in state grant revenue.
- \$24,107 supplemental appropriation to the Sheriff's Department for an Impaired Driving Enforcement Grant from the Tennessee Highway Safety Office funded from an estimated increase in federal grant revenue.
- \$2,500 supplemental appropriation to the Health Department for a Healthy Cooking/Healthy Living class partnership with the University of Tennessee funded by an estimated increase in state revenue.

- \$3,000 supplemental appropriation to various libraries to be funded from an estimated increase in donations.
- \$1,936 supplemental appropriation for the Sheriff's Department vehicle repairs funded by insurance recovery proceeds.
- \$4,200 supplemental appropriation to the Sheriff's Department funded by a miscellaneous refund.
- \$14,971 supplemental appropriation for the County Clerk's Office funded by an estimated increase in county clerk fees.
- \$60,318 supplemental appropriation to the Sheriff's Department for salary expenses funded from the unassigned fund balance.
- \$43,185 supplemental appropriation to the information technology department for director recruitment and salary expenses funded from the unassigned fund balance.
- \$21,061 supplemental appropriation to the County Executive's Office for salary expenses funded from the unassigned fund balance.
- \$337,000 supplemental appropriation for juvenile services for juvenile detention housing funded from the unassigned fund balance.
- \$50,000 supplemental appropriation for Americans with Disabilities Act self-evaluation and transition plan funded from the unassigned fund balance.
- \$1,198,802 supplemental appropriation to the Sumner County Regional Airport for expansion and sewer relocation projects funded from the committed hospital funds.
- Various other minor supplemental appropriations funded by increases in estimated revenues or use of fund balances.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues are as follows.

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Local Taxes	\$ 28,402,736	\$ 30,056,744	\$ 1,654,008
Charges for Current Services	7,480,201	7,831,601	351,400
Other Local Revenues	3,039,837	2,340,118	(699,719)
Fees Received From County Officials	9,584,994	9,913,902	328,908

The budgetary excess in local taxes resulted, primarily, from the percentage of the 2017 property taxes collected in fiscal year 2018 being in excess of the estimated percentage, the delinquent taxes collected in chancery court being in excess of estimates, and the business tax collections being larger than anticipated due to the continuing local economic expansion.

The budgetary excess in charges for current services resulted, primarily, from patient charges from the county's emergency medical services being higher than anticipated. The budgetary shortfall in other local taxes was the result of amounts due from other entities for the operations of the Sumner County Emergency Communications Center (ECC) not being received in time to meet the modified accrual basis of accounting's availability criteria for revenue recognition. The budgetary excess in fees received from county officials was primarily the result of the local economic growth and chancery court collections. The higher than anticipated chancery court collections were the result of higher than anticipated delinquent property tax collections. It should be noted that, in totality, collections in the General Fund were 103% of budget.

This year's \$5,341,975 of unspent appropriations were primarily the result of the following factors.

- Approximately \$2,974,862 of unspent appropriations for various unfilled or under-filled positions (including benefits)
- \$310,129 of unspent appropriations for inmate medical treatment costs
- \$242,992 of unspent appropriations for Capps Gap Landfill closure

Discretely Presented Sumner County School Department – General Purpose School Fund Budgetary Highlights

The differences in the original budget's and the final budget's appropriations, including other uses, increased by \$4,566,336 compared to the original budget of \$261,843,084. Of this increase, \$1,785,546 was funded by an estimated increase in revenues and other sources; the remainder was from fund balances.

Capital Assets and Debt Administration

Primary Government

The Sumner County Government's investment in capital assets, net of accumulated depreciation, as of June 30, 2018, was \$92,739,834. This investment in net assets includes land, construction in progress, intangibles, buildings, building improvements, machinery and equipment, roads, and bridges. The total decrease in the Sumner County Government's investment in capital assets for the fiscal year was \$404,945. This decrease is net of beginning balance reductions of \$815,000 for an insurance recovery and \$1,486,874 for enterprise resource planning software no longer capitalized by the county.

Major capital asset events during the fiscal year included the following.

- Work-in-progress increases were \$936,851, which consisted of \$46,317 for the Finance Department ERP project, \$78,766 for the County Clerk's Hendersonville Office projects, \$220,467 for re-roofing the jail, \$23,736 for a video wall at the Emergency Communications Center, and \$567,565 for the Station Camp Greenway. Decreases to work-in-progress totaled \$789,910, which consists of \$601,506 for the Finance Department ERP project, \$89,985 for the County Clerk's Hendersonville Office projects, and \$98,419 for the video wall at the Emergency Communications Center.

- Buildings and building improvements increases totaled \$831,877. Increases included \$474,062 for completion of the Emergency Communications Center, \$102,440 for HVAC and drawer replacements and a new roof at the County Clerk's Office in Hendersonville, \$20,136 for a hall addition at the courthouse for Judge Carter, \$66,736 for a parking lot overlay and security system at the General Session II Building, \$12,500 for repair of the sprinkler system at the jail, \$90,405 for paving at three EMS stations, \$19,395 for renovation at the TN Rehabilitation Center, \$8,499 for a new HVAC unit at the Bridal House, \$37,704 for paving and a new HVAC unit at the Agriculture Extension building. Buildings and building improvement depreciation expenses totaled \$2,919,045 for the fiscal year.
- The infrastructure's gross increase consists of \$4,211,741 of road and bridge improvements less road surfacing completely depreciated of \$1,758,131. Infrastructure's depreciation totaled \$3,777,840.
- Intangible assets increased \$464,197. This amount consists of \$433,770 for the Finance Department's ERP consultant and Tyler Munis software, \$17,507 for a firewall for the Information Technology Department, and \$12,920 for Tritech software for the Sheriff's Office. Amortization for the intangible assets totaled \$34,462 .
- Depreciable equipment totaling \$2,374,100 was purchased during the year. Disposals of depreciable equipment totaled \$1,091,146 with associated accumulated depreciation of \$926,984. Depreciation for equipment totaled \$1,538,292.

Sumner County's Capital Assets

	Historical Value	Accumulated Depreciation	Net Value June 30, 2018
Land	\$ 4,004,292	\$ -	\$ 4,004,292
Construction in Progress	4,980,814	-	4,980,814
Buildings and Improvements	75,355,758	(33,487,907)	41,867,851
Roads and Bridges	74,088,966	(39,401,773)	34,687,193
Intangibles (depreciated)	1,116,561	(670,641)	445,920
Other Capital Assets	21,953,515	(15,199,751)	6,753,764
Total Value	<u>\$ 181,499,906</u>	<u>\$ (88,760,072)</u>	<u>\$ 92,739,834</u>

Discretely Presented Sumner County School Department

The discretely presented Sumner County School Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2018, was \$254,445,277. This investment in capital assets includes land, buildings, building improvements, machinery, and equipment. The increases in capital assets for the fiscal year was \$51,116,359. The change in investment in capital assets for the fiscal year was a \$5,173,972 increase.

Sumner County School Department's Capital Assets

	Historical Value	Accumulated Depreciation	Net Value June 30, 2018
Land	\$ 11,726,831	\$ -	\$ 11,726,831
Construction in Progress	27,691,618	-	27,691,618
Buildings and Improvements	443,528,134	(239,774,295)	203,753,839
Other Capital Assets	36,387,000	(25,114,011)	11,272,989
Total Value	<u>\$ 519,333,583</u>	<u>\$ (264,888,306)</u>	<u>\$ 254,445,277</u>

Additional details about the Sumner County Government's and the discretely presented Sumner County School Department's capital assets can be found in the notes to the financial statements. A table of contents has been provided with the specific page numbers.

Long-term Debt

At the end of the current fiscal year, the Sumner County Government had long-term debt totaling \$143,460,000, which is to be paid by the General Debt Service Fund. This is a decrease in long-term debt of \$14,550,000 from the previous fiscal year. All debt is backed by the full faith and credit of the county. Additional information on the Sumner County Government's long-term debt can be found in the notes to the financial statements. A table of contents has been provided with the specific page number.

Sumner County's Outstanding Long-term Debt

Issued For	Sumner County Board of Education	Sumner County Primary Government	Total Debt
Bond - Refunding	\$ 56,175,000	\$ -	\$ 56,175,000
General Obligation Series 2010	850,860	2,049,140	2,900,000
General Obligation Series 2013	17,405,100	3,564,900	20,970,000
General Obligation Series 2015	55,171,050	8,243,950	63,415,000
Total	<u>\$ 129,602,010</u>	<u>\$ 13,857,990</u>	<u>\$ 143,460,000</u>

Economic Factors and Next Year's Budgets and Rates

On June 18, 2018, Sumner County Government adopted a budget for the fiscal year ending June 30, 2019. Many factors were considered when adopting this budget.

Sumner County's unemployment rate, as of June 30, 2018, was 3.3 percent (not seasonally adjusted) compared to the June 30, 2017, rate of 3.4 percent (not seasonally adjusted). Sumner County's unemployment rate for June 2018 was lower than the State of Tennessee's rate as a whole at 4.1 percent (not seasonally adjusted).

The Sumner County Commission is committed to maintaining a projected unassigned fund balance in the General Fund of at least 16.67 percent of appropriations (approximately \$10.8 million for the fiscal year 2019 budget) after subtracting any restricted, committed, or assigned amounts. The projected balance in the General Fund's approved budget for the 2019 fiscal year, after subtracting all projected restricted, committed, or assigned amounts, is approximately \$15.8 million.

Requests for information

This financial report is designed to provide only a general overview of the county's finances. For questions concerning any of the information provided in this report, please contact the Sumner County Finance Department at 355 North Belvedere Drive, Room 302, Gallatin, Tennessee 37066.

BASIC FINANCIAL STATEMENTS

Exhibit A

Sumner County, Tennessee
Statement of Net Position
June 30, 2018

	Primary Government Governmental Activities	Component Unit Sumner County School Department
<u>ASSETS</u>		
Cash	\$ 6,675	\$ 7,685
Equity in Pooled Cash and Investments	93,795,343	64,280,748
Accounts Receivable	2,664,184	708,888
Allowance for Uncollectibles	(1,801,018)	0
Due from Other Governments	5,395,742	8,434,218
Due from Other Funds - Agency	45,284	0
Due from Primary Government	0	110,999
Due from Component Units	109,800	0
Notes Receivable - Long-term	800,000	0
Property Taxes Receivable	48,720,086	67,712,583
Allowance for Uncollectible Property Taxes	(835,600)	(1,161,339)
Prepaid Items	152,127	72,880
Accrued Interest Receivable	445,192	0
Cash Shortage	0	5,000
Net Pension Asset - Agent Plan	2,289,883	2,142,721
Net Pension Asset - Teacher Retirement Plan	0	641,738
Net Pension Asset - Teacher Legacy Plan	0	895,052
Capital Assets:		
Assets Not Depreciated:		
Land	4,004,292	11,726,831
Construction in Progress	4,980,814	27,691,618
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	41,867,851	203,753,839
Other Capital Assets	6,753,764	11,272,989
Infrastructure	34,687,193	0
Intangibles	445,920	0
Total Assets	<u>\$ 244,527,532</u>	<u>\$ 398,296,450</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Amount on Refunding	\$ 2,249,361	\$ 0
Pension Changes in Experience	596,403	1,120,165
Pension Changes in Assumptions	1,731,320	9,256,989
Pension Changes in Investment Earnings	0	135,866
Pension Other Deferrals	0	836,872
Pension Contributions After Measurement Date	3,746,494	12,640,300
OPEB Changes in Experience	0	3,703,171
OPEB Changes in Assumptions	121,635	1,254,237
OPEB Benefits Paid After Measurement Date	11,900	425,908
Total Deferred Outflows of Resources	<u>\$ 8,457,113</u>	<u>\$ 29,373,508</u>

(Continued)

Exhibit A

Sumner County, Tennessee
Statement of Net Position (Cont.)

	Primary Governmental Activities	Component Unit Sumner County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,803,145	\$ 982,972
Accrued Payroll	531,737	0
Payroll Deductions Payable	289,766	399,671
Contracts Payable	1,428,865	0
Retainage Payable	56,884	0
Due to Primary Government	0	109,800
Due to Component Units	110,999	0
Due to State of Tennessee	1,325	0
Due to Litigants, Heirs, and Others	6,021	0
Current Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	1,000	167,343
Accrued Interest Payable	489,923	0
Noncurrent Liabilities:		
Due Within One Year	18,375,722	401,930
Due in More Than One Year	147,095,655	65,330,497
Total Liabilities	<u>\$ 171,191,042</u>	<u>\$ 67,392,213</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 47,285,129	\$ 65,718,240
Pension Changes in Experience	1,112,857	19,568,183
Pension Changes in Investment Earnings	52,508	83,663
Pension Other Deferrals	0	251,707
OPEB Changes in Experience	112,625	0
OPEB Changes in Assumptions	218,850	1,404,248
Total Deferred Inflows of Resources	<u>\$ 48,781,969</u>	<u>\$ 87,026,041</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 83,800,050	\$ 254,445,277
Restricted for:		
General Government	462,508	0
Finance	83,310	0
Administration of Justice	638,487	0
Public Safety	138,373	0
Public Health and Welfare	1,290	0
Social, Cultural, and Recreational Services	36,904	0
Highway/Public Works	1,420,516	0
Capital Projects	22,770,889	0
Debt Service	17,602,214	0
Education	0	5,532,947
Pensions	2,289,883	3,679,511
Unrestricted	<u>(96,232,790)</u>	<u>9,593,969</u>
Total Net Position	<u>\$ 33,011,634</u>	<u>\$ 273,251,704</u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Sumner County, Tennessee
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Sumner County School Department
Primary Government:						
General Government	\$ 10,354,202	\$ 2,747,501	\$ 26,720	\$ 18,679	\$ (7,561,302)	\$ 0
Finance	4,582,347	5,642,436	234,001	0	1,294,090	0
Administration of Justice	5,359,935	4,398,675	9,000	0	(952,260)	0
Public Safety	27,834,706	3,593,400	974,988	2,975,637	(20,290,681)	0
Public Health and Welfare	10,956,926	6,654,996	1,438,660	822,097	(2,041,173)	0
Social, Cultural, and Recreational Services	2,949,501	58,928	117,913	222,727	(2,549,933)	0
Agriculture and Natural Resources	421,670	0	0	7,228	(414,442)	0
Highway/Public Works	7,882,956	73,402	3,762,256	1,279,802	(2,767,496)	0
Education	20,859,754	0	0	0	(20,859,754)	0
Interest on Long-term Debt	5,541,853	0	0	0	(5,541,853)	0
Total Primary Government	<u>\$ 96,743,850</u>	<u>\$ 23,169,338</u>	<u>\$ 6,563,538</u>	<u>\$ 5,326,170</u>	<u>\$ (61,684,804)</u>	<u>\$ 0</u>
Component Unit:						
Sumner County School Department	<u>\$ 253,362,697</u>	<u>\$ 7,957,758</u>	<u>\$ 16,233,843</u>	<u>\$ 21,118,129</u>	<u>\$ 0</u>	<u>\$ (208,052,967)</u>
Total Component Unit	<u>\$ 253,362,697</u>	<u>\$ 7,957,758</u>	<u>\$ 16,233,843</u>	<u>\$ 21,118,129</u>	<u>\$ 0</u>	<u>\$ (208,052,967)</u>

(Continued)

Exhibit B

Sumner County, Tennessee
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position	
Functions/Programs	Expenses	Program Revenues			Primary	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Total Governmental Activities	Sumner County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 40,955,383	\$ 64,366,561
Property Taxes Levied for Debt Service					5,357,931	0
Local Option Sales Tax					9,127,881	18,258,493
Wheel Tax					2,139,295	4,990,956
Mixed Drink Tax					0	281,270
Interstate Telecommunications Tax					102,624	152,754
Business Tax					2,207,600	0
Adequate Facilities/Development Tax					2,974,896	0
Hotel/Motel Tax					924,681	0
Wholesale Beer Tax					455,984	0
Litigation Tax					1,284,590	0
Mineral Severance Tax					227,103	0
Beer Privilege Tax					2,627	0
Local Amusement Tax					1,927	0
Other Statutory Local Taxes					7,650	0
Grants and Contributions Not Restricted to Specific Programs					4,086,229	148,258,254
Unrestricted Investment Earnings					1,736,180	60,881
Miscellaneous					112,441	260,100
Gain from Sale of Capital Assets					79,958	0
Total General Revenues					\$ 71,784,980	\$ 236,629,269
Change in Net Position						
Net Position, July 1, 2017					\$ 10,100,176	\$ 28,576,302
Prior-period Adjustment - See Note I.D.9.					27,556,262	268,705,340
Restatement - See Note I.D.10.					(815,000)	0
Net Position, June 30, 2018					(3,829,804)	(24,029,938)
					\$ 33,011,634	\$ 273,251,704

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Sumner County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2018

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 875	\$ 0	\$ 0	\$ 0	\$ 5,800	\$ 6,675
Equity in Pooled Cash and Investments	31,986,650	1,092,722	22,394,273	23,944,177	410,226	79,828,048
Accounts Receivable	2,623,247	774	13,533	0	26,630	2,664,184
Allowance for Uncollectibles	(1,801,018)	0	0	0	0	(1,801,018)
Due from Other Governments	2,808,516	707,648	1,629,280	238,032	12,266	5,395,742
Due from Other Funds	45,507	21,148	820	0	0	67,475
Due from Component Units	0	109,800	0	0	0	109,800
Property Taxes Receivable	25,778,193	693,939	1,482,085	20,765,869	0	48,720,086
Allowance for Uncollectible Property Taxes	(442,122)	(11,902)	(58,667)	(322,909)	0	(835,600)
Prepaid Items	150,731	0	0	0	1,396	152,127
Accrued Interest Receivable	3,020	0	433,951	0	0	436,971
Notes Receivable - Long-term	800,000	0	0	0	0	800,000
Total Assets	\$ 61,953,599	\$ 2,614,129	\$ 25,895,275	\$ 44,625,169	\$ 456,318	\$ 135,544,490
<u>LIABILITIES</u>						
Accounts Payable	\$ 2,336,707	\$ 373,414	\$ 1,372	\$ 2,050	\$ 59,295	\$ 2,772,838
Accrued Payroll	488,861	42,876	0	0	0	531,737
Payroll Deductions Payable	273,256	16,510	0	0	0	289,766
Contracts Payable	0	0	0	1,428,865	0	1,428,865
Retainage Payable	0	0	0	56,884	0	56,884
Due to Other Funds	3,379	358	0	18,614	358	22,709
Due to Component Units	0	0	0	110,999	0	110,999
Due to State of Tennessee	0	1,100	0	225	0	1,325
Due to Litigants, Heirs, and Others	0	0	0	0	6,021	6,021

(Continued)

Exhibit C-1

Sumner County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>LIABILITIES (Cont.)</u>						
Current Liabilities Payable From Restricted Assets	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000
Total Liabilities	\$ 3,103,203	\$ 434,258	\$ 1,372	\$ 1,617,637	\$ 65,674	\$ 5,222,144
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 25,018,946	\$ 673,500	\$ 1,356,040	\$ 20,236,643	\$ 0	\$ 47,285,129
Deferred Delinquent Property Taxes	249,120	6,706	52,929	162,074	0	470,829
Other Deferred/Unavailable Revenue	1,238,146	295,689	800,350	226,288	3,709	2,564,182
Total Deferred Inflows of Resources	\$ 26,506,212	\$ 975,895	\$ 2,209,319	\$ 20,625,005	\$ 3,709	\$ 50,320,140
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 150,731	\$ 0	\$ 0	\$ 0	\$ 1,396	\$ 152,127
Restricted:						
Restricted for General Government	188,857	0	0	0	273,651	462,508
Restricted for Finance	83,310	0	0	0	0	83,310
Restricted for Administration of Justice	638,487	0	0	0	0	638,487
Restricted for Public Safety	22,859	0	0	0	111,888	134,747
Restricted for Public Health and Welfare	1,290	0	0	0	0	1,290
Restricted for Social, Cultural, and Recreational Services	36,904	0	0	0	0	36,904
Restricted for Highways/Public Works	0	1,203,976	0	0	0	1,203,976
Restricted for Debt Service	0	0	20,752,027	0	0	20,752,027
Restricted for Capital Projects	0	0	0	22,382,527	0	22,382,527
Committed:						
Committed for General Government	9,516,622	0	0	0	0	9,516,622

(Continued)

Exhibit C-1

Sumner County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>						
Committed (Cont.):						
Committed for Debt Service	\$ 0	\$ 0	\$ 2,932,557	\$ 0	\$ 0	\$ 2,932,557
Committed for Capital Projects	18,854	0	0	0	0	18,854
Assigned:						
Assigned for General Government	4,294,741	0	0	0	0	4,294,741
Assigned for Finance	82,190	0	0	0	0	82,190
Assigned for Public Safety	77,821	0	0	0	0	77,821
Assigned for Public Health and Welfare	26,285	0	0	0	0	26,285
Assigned for Social, Cultural, and Recreational Services	9,126	0	0	0	0	9,126
Unassigned	17,196,107	0	0	0	0	17,196,107
Total Fund Balances	<u>\$ 32,344,184</u>	<u>\$ 1,203,976</u>	<u>\$ 23,684,584</u>	<u>\$ 22,382,527</u>	<u>\$ 386,935</u>	<u>\$ 80,002,206</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 61,953,599</u>	<u>\$ 2,614,129</u>	<u>\$ 25,895,275</u>	<u>\$ 44,625,169</u>	<u>\$ 456,318</u>	<u>\$ 135,544,490</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Sumner County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2018

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	80,002,206
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	4,004,292	
Add: construction in progress		4,980,814	
Add: buildings and improvements net of accumulated depreciation		41,867,851	
Add: other capital assets net of accumulated depreciation		6,753,764	
Add: infrastructure net of accumulated depreciation		34,687,193	
Add: intangibles net of accumulated depreciation		445,920	
Less: capital assets of the internal service fund that are also included in item (2) below		(5,891)	92,733,943
(2) An internal service fund is used by management to charge the cost of liability and workers' compensation insurance and employee health and dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.			11,740,391
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(143,460,000)	
Less: other deferred revenue - premium on debt		(11,815,237)	
Less: accrued interest on bonds		(489,923)	
Less: compensated absences payable		(1,275,925)	
Add: compensated absences payable in the internal service fund		5,583	
Less: OPEB liability - county insurance plan		(4,637,231)	
Less: OPEB liability - medicare supplement plan		(2,077,340)	
Add: deferred amount on refunding debt		2,249,361	(161,500,712)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:			
Add: deferred outflows of resources related to pensions	\$	6,074,217	
Less: deferred inflows of resources related to pensions		(1,165,365)	
Add: deferred outflows of resources related to OPEB		133,535	
Less: deferred inflows of resources related to OPEB		(331,475)	4,710,912
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			2,289,883
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			3,035,011
Net position of governmental activities (Exhibit A)		\$	<u>33,011,634</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Sumner County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
Revenues						
Local Taxes	\$ 30,056,744	\$ 3,034,449	\$ 17,786,174	\$ 15,847,115	\$ 338,417	\$ 67,062,899
Licenses and Permits	1,040,393	500	0	0	0	1,040,893
Fines, Forfeitures, and Penalties	698,401	0	0	0	19,759	718,160
Charges for Current Services	7,831,601	0	0	0	359,351	8,190,952
Other Local Revenues	2,340,118	109,291	1,598,893	666,559	127	4,714,988
Fees Received From County Officials	9,913,902	0	0	0	0	9,913,902
State of Tennessee	7,876,121	4,144,198	8,437	7,228	8,183	12,044,167
Federal Government	340,776	0	0	660,445	0	1,001,221
Other Governments and Citizens Groups	556,811	264,108	0	834,580	0	1,655,499
Total Revenues	\$ 60,654,867	\$ 7,552,546	\$ 19,393,504	\$ 18,015,927	\$ 725,837	\$ 106,342,681
Expenditures						
Current:						
General Government	\$ 6,641,055	\$ 0	\$ 0	\$ 0	\$ 593,423	\$ 7,234,478
Finance	4,955,894	0	0	0	0	4,955,894
Administration of Justice	5,384,711	0	0	0	844	5,385,555
Public Safety	25,438,221	0	0	0	61,367	25,499,588
Public Health and Welfare	10,875,357	0	0	0	0	10,875,357
Social, Cultural, and Recreational Services	2,480,893	0	0	0	0	2,480,893
Agriculture and Natural Resources	481,593	0	0	0	0	481,593
Other Operations	3,266,769	0	0	0	0	3,266,769
Highways	340	8,058,272	0	0	0	8,058,612
Debt Service:						
Principal on Debt	0	0	14,550,000	0	0	14,550,000
Interest on Debt	0	0	6,485,318	0	0	6,485,318
Other Debt Service	0	0	244,942	0	0	244,942

(Continued)

Exhibit C-3

Sumner County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 20,975	\$ 0	\$ 0	\$ 4,002,363	\$ 0	\$ 4,023,338
Capital Projects - Donated	0	0	0	20,530,580	0	20,530,580
Total Expenditures	\$ 59,545,808	\$ 8,058,272	\$ 21,280,260	\$ 24,532,943	\$ 655,634	\$ 114,072,917
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 1,109,059	 \$ (505,726)	 \$ (1,886,756)	 \$ (6,517,016)	 \$ 70,203	 \$ (7,730,236)
 <u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 8,602	\$ 2,389	\$ 0	\$ 0	\$ 0	\$ 10,991
Total Other Financing Sources (Uses)	\$ 8,602	\$ 2,389	\$ 0	\$ 0	\$ 0	\$ 10,991
 Net Change in Fund Balances	 \$ 1,117,661	 \$ (503,337)	 \$ (1,886,756)	 \$ (6,517,016)	 \$ 70,203	 \$ (7,719,245)
Fund Balance, July 1, 2017	31,226,523	1,707,313	25,571,340	28,899,543	316,732	87,721,451
 Fund Balance, June 30, 2018	 \$ 32,344,184	 \$ 1,203,976	 \$ 23,684,584	 \$ 22,382,527	 \$ 386,935	 \$ 80,002,206

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Sumner County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	(7,719,245)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	7,382,714	
Less: current-year depreciation expense		(8,269,639)	
Add: current-year depreciation expense of the internal service fund that is also included in item (6) below		<u>3,365</u>	(883,560)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized	\$	646,142	
Add: gain on disposal of capital assets		79,958	
Less: loss on disposal of capital assets		(157,316)	
Less: insurance recovery and sale of capital assets		<u>(86,804)</u>	481,980
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2017	\$	(3,223,436)	
Add: deferred delinquent property taxes and other deferred June 30, 2018		<u>3,035,011</u>	(188,425)
(4) The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:			
Less: change in deferred amount on refunding debt	\$	(808,057)	
Add: change in premium on debt issuances		1,701,002	
Add: principal payments on bonds		<u>14,550,000</u>	15,442,945
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	50,520	
Change in OPEB liability, net of restatement - county insurance plan		(378,568)	
Change in OPEB liability, net of restatement - medicare supplement plan		67,255	
Change in deferred outflows of resources related to OPEB, net of restatement		125,435	
Change in deferred inflows of resources related to OPEB		(331,475)	
Change in compensated absences payable		(47,881)	
Change in compensated absences payable in internal service fund		353	
Change in net pension liability/asset		3,676,761	
Change in deferred outflows of resources related to pensions		(1,262,776)	
Change in deferred inflows of resources related to pensions		<u>(935,617)</u>	964,007
(6) An internal service fund is used by management to charge the cost of liability and workers' compensation insurance and employee health and dental benefits to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.			<u>2,002,474</u>
Change in net position of governmental activities (Exhibit B)		\$	<u>10,100,176</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-5

Sumner County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 30,056,744	\$ 0	\$ 0	\$ 30,056,744	\$ 28,402,736	\$ 28,402,736	\$ 1,654,008
Licenses and Permits	1,040,393	0	0	1,040,393	971,766	971,766	68,627
Fines, Forfeitures, and Penalties	698,401	0	0	698,401	640,117	640,117	58,284
Charges for Current Services	7,831,601	0	0	7,831,601	7,082,883	7,480,201	351,400
Other Local Revenues	2,340,118	0	0	2,340,118	3,002,463	3,039,837	(699,719)
Fees Received From County Officials	9,913,902	0	0	9,913,902	9,570,023	9,584,994	328,908
State of Tennessee	7,876,121	0	0	7,876,121	6,936,462	7,559,888	316,233
Federal Government	340,776	0	0	340,776	183,080	416,468	(75,692)
Other Governments and Citizens Groups	556,811	0	0	556,811	537,599	691,722	(134,911)
Total Revenues	\$ 60,654,867	\$ 0	\$ 0	\$ 60,654,867	\$ 57,327,129	\$ 58,787,729	\$ 1,867,138
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 290,477	\$ 0	\$ 0	\$ 290,477	\$ 326,997	\$ 326,997	\$ 36,520
Board of Equalization	1,426	0	0	1,426	3,250	3,250	1,824
Other Boards and Committees	7,994	0	0	7,994	16,000	16,000	8,006
County Mayor/Executive	401,610	0	0	401,610	385,072	410,759	9,149
County Attorney	514,230	0	0	514,230	544,080	544,080	29,850
Election Commission	631,518	0	0	631,518	711,517	711,518	80,000
Register of Deeds	667,507	0	0	667,507	798,932	798,932	131,425
Planning	445,328	(55,389)	51,093	441,032	526,647	526,647	85,615
Building	449,877	0	0	449,877	480,464	480,464	30,587
County Buildings	1,908,451	(880)	272,224	2,179,795	2,563,493	2,647,373	467,578
Preservation of Records	91,027	0	0	91,027	84,778	91,513	486
Risk Management	1,231,610	0	0	1,231,610	1,254,215	1,258,441	26,831
<u>Finance</u>							
Accounting and Budgeting	772,037	(19,585)	20,732	773,184	830,265	830,265	57,081
Property Assessor's Office	738,259	0	0	738,259	746,761	746,761	8,502
Reappraisal Program	595,489	0	0	595,489	674,234	674,234	78,745
County Trustee's Office	561,880	0	0	561,880	605,971	605,971	44,091

(Continued)

Exhibit C-5

Sumner County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 1,653,094	\$ 0	\$ 0	\$ 1,653,094	\$ 1,692,081	\$ 1,712,452	\$ 59,358
Data Processing	635,135	0	48,458	683,593	738,136	821,481	137,888
<u>Administration of Justice</u>							
Circuit Court Clerk	1,654,949	(4,582)	0	1,650,367	1,861,201	1,861,201	210,834
General Sessions Court	275,966	0	0	275,966	287,305	287,305	11,339
General Sessions Judge	280,859	0	0	280,859	279,972	282,699	1,840
Drug Court	242,170	0	0	242,170	246,080	311,080	68,910
Chancery Court	727,451	0	0	727,451	741,455	754,761	27,310
Juvenile Court	552,797	0	0	552,797	568,523	568,523	15,726
District Attorney General	85,626	0	0	85,626	82,629	85,626	0
Office of Public Defender	0	0	0	0	79,029	79,029	79,029
Judicial Commissioners	621,515	0	0	621,515	663,403	663,403	41,888
Other Administration of Justice	509,935	0	0	509,935	231,342	568,967	59,032
Probation Services	433,443	0	0	433,443	451,046	451,046	17,603
<u>Public Safety</u>							
Sheriff's Department	10,841,496	(8,479)	22,682	10,855,699	11,507,223	11,609,621	753,922
Administration of the Sexual Offender Registry	6,111	0	0	6,111	17,805	17,805	11,694
Jail	10,468,009	0	0	10,468,009	10,636,875	11,837,417	1,369,408
Juvenile Services	583,408	0	0	583,408	642,714	642,713	59,305
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Rural Fire Protection	182,000	0	0	182,000	182,000	182,000	0
Other Emergency Management	380,349	(63,273)	12,686	329,762	284,511	375,312	45,550
County Coroner/Medical Examiner	118,308	0	0	118,308	88,650	118,650	342
Other Public Safety	2,856,540	0	0	2,856,540	3,349,874	3,349,874	493,334
<u>Public Health and Welfare</u>							
Local Health Center	1,575,580	0	0	1,575,580	1,618,068	1,794,639	219,059
Ambulance/Emergency Medical Services	9,080,546	0	9,635	9,090,181	8,942,514	9,185,854	95,673
Appropriation to State	213,181	0	0	213,181	215,225	215,225	2,044
General Welfare Assistance	6,050	0	0	6,050	4,000	11,000	4,950

(Continued)

Exhibit C-5

Sumner County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	\$ 274,136	\$ 0	\$ 0	\$ 274,136	\$ 290,500	\$ 290,500	\$ 16,364
Libraries	2,206,757	0	0	2,206,757	2,329,973	2,346,737	139,980
Other Social, Cultural, and Recreational	0	0	0	0	121,485	121,485	121,485
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	427,327	0	0	427,327	452,974	452,974	25,647
Soil Conservation	54,266	0	0	54,266	60,090	60,090	5,824
<u>Other Operations</u>							
Tourism	560,000	0	0	560,000	560,000	560,000	0
Industrial Development	85,000	0	0	85,000	85,000	85,000	0
Veterans' Services	79,692	0	0	79,692	86,603	86,603	6,911
Other Charges	864,824	0	0	864,824	911,374	923,760	58,936
Contributions to Other Agencies	1,445,555	0	0	1,445,555	288,268	1,487,070	41,515
Employee Benefits	79,493	0	0	79,493	105,500	105,500	26,007
Miscellaneous	152,205	0	0	152,205	154,124	154,124	1,919
<u>Highways</u>							
Traffic Control	340	0	0	340	8,000	8,000	7,660
<u>Capital Projects</u>							
Public Health and Welfare Projects	0	(5,000)	16,650	11,650	0	11,650	0
Social, Cultural, and Recreation Projects	20,975	0	9,126	30,101	0	37,500	7,399
Total Expenditures	\$ 59,545,808	\$ (157,188)	\$ 463,286	\$ 59,851,906	\$ 61,420,228	\$ 65,193,881	\$ 5,341,975
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,109,059	\$ 157,188	\$ (463,286)	\$ 802,961	\$ (4,093,099)	\$ (6,406,152)	\$ 7,209,113
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,602	\$ 0	\$ 0	\$ 8,602	\$ 0	\$ 7,353	\$ 1,249
Transfers In	0	0	0	0	154,123	0	0
Total Other Financing Sources	\$ 8,602	\$ 0	\$ 0	\$ 8,602	\$ 154,123	\$ 7,353	\$ 1,249

(Continued)

Exhibit C-5

Sumner County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 1,117,661	\$ 157,188	\$ (463,286)	\$ 811,563	\$ (3,938,976)	\$ (6,398,799)	\$ 7,210,362
Fund Balance, July 1, 2017	31,226,523	(157,188)	0	31,069,335	29,035,601	29,035,601	2,033,734
Fund Balance, June 30, 2018	\$ 32,344,184	\$ 0	\$ (463,286)	\$ 31,880,898	\$ 25,096,625	\$ 22,636,802	\$ 9,244,096

The notes to the financial statements are an integral part of this statement.

Exhibit C-6

Sumner County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,034,449	\$ 2,908,621	\$ 2,943,571	\$ 90,878
Licenses and Permits	500	2,000	2,000	(1,500)
Other Local Revenues	109,291	87,050	109,511	(220)
State of Tennessee	4,144,198	4,145,558	4,696,313	(552,115)
Other Governments and Citizens Groups	264,108	0	270,894	(6,786)
Total Revenues	<u>\$ 7,552,546</u>	<u>\$ 7,143,229</u>	<u>\$ 8,022,289</u>	<u>\$ (469,743)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 223,371	\$ 208,010	\$ 225,313	\$ 1,942
Highway and Bridge Maintenance	4,806,004	4,216,287	5,272,650	466,646
Operation and Maintenance of Equipment	970,772	1,015,798	1,031,847	61,075
Quarry Operations	9,296	36,220	9,745	449
Litter and Trash Collection	71,934	70,300	83,900	11,966
Other Charges	446,777	409,755	457,763	10,986
Employee Benefits	1,064,526	1,099,176	1,072,303	7,777
Capital Outlay	465,592	450,613	478,974	13,382
Total Expenditures	<u>\$ 8,058,272</u>	<u>\$ 7,506,159</u>	<u>\$ 8,632,495</u>	<u>\$ 574,223</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (505,726)</u>	<u>\$ (362,930)</u>	<u>\$ (610,206)</u>	<u>\$ 104,480</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 2,389	\$ 0	\$ 0	\$ 2,389
Total Other Financing Sources	<u>\$ 2,389</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,389</u>
Net Change in Fund Balance	\$ (503,337)	\$ (362,930)	\$ (610,206)	\$ 106,869
Fund Balance, July 1, 2017	<u>1,707,313</u>	<u>395,977</u>	<u>643,253</u>	<u>1,064,060</u>
Fund Balance, June 30, 2018	<u>\$ 1,203,976</u>	<u>\$ 33,047</u>	<u>\$ 33,047</u>	<u>\$ 1,170,929</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-1

Sumner County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2018

Governmental
 Activities -
 Internal
 Service Fund
 Self-
 Insurance
 Fund

ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 13,967,295
Due from Other Funds	1,232
Accrued Interest Receivable	8,221
Total Current Assets	<u>\$ 13,976,748</u>

Noncurrent Assets:

Capital Assets:	
Buildings and Improvements, Net of Accumulated Depreciation	\$ 5,891
Total Noncurrent Assets	<u>\$ 5,891</u>
Total Assets	<u>\$ 13,982,639</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 30,307
Accrued Leave - Current	5,583
Claims and Judgments Payable	1,874,797
Due to Other Funds	714
Total Current Liabilities	<u>\$ 1,911,401</u>

Noncurrent Liabilities:

Claims and Judgments Payable	\$ 330,847
Total Noncurrent Liabilities	<u>\$ 330,847</u>
Total Liabilities	<u>\$ 2,242,248</u>

NET POSITION

Unrestricted	<u>\$ 11,740,391</u>
Total Net Position	<u><u>\$ 11,740,391</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-2

Sumner County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund
	<u>Self- Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 11,927,369
Other Local Revenues	94,919
Total Operating Revenues	<u>\$ 12,022,288</u>
<u>Operating Expenses</u>	
<u>Risk Management:</u>	
Supervisor/Director	\$ 60,452
Clerical Personnel	32,459
Longevity Pay	2,100
Social Security	4,838
Pensions	9,947
Life Insurance	174
Medical Insurance	20,656
Dental Insurance	703
Employer Medicare	1,131
Communication	972
Consultants	19,672
Data Processing Services	1,090
Dues and Memberships	460
Maintenance Agreements	748
Postal Charges	1,539
Printing, Stationery, and Forms	150
Travel	1,934
Maintenance and Repair Services - Records	16
Other Contracted Services	288
Data Processing Supplies	877
Drugs and Medical Supplies	292
Food Supplies	293
Office Supplies	565
Periodicals	14
Liability Claims	1,456,833
Other Self-insured Claims	1,390,148
In Service/Staff Development	760
Data Processing Equipment	798
Furniture and Fixtures	300
<u>Other Operations:</u>	
Handling Charges and Administrative Costs	313,023
Communication	461
Consultants	11,400
Excess Risk Insurance	125,002
Medical Claims	5,825,172
Depreciation	3,365
Other Self-insured Claims	285,217

(Continued)

Exhibit D-2

Sumner County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position (Cont.)

	Governmental Activities - Internal Service Fund
	Self- Insurance Fund
<u>Operating Expenses (Cont.)</u>	
<u>Other Operations (Cont.)</u>	
Fines, Assessments, and Penalties	\$ 2,981
Specialized Medical Treatment	505,274
Total Operating Expenses	<u>\$ 10,082,104</u>
Operating Income (Loss)	<u>\$ 1,940,184</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 50,474
Insurance Recovery	11,816
Total Nonoperating Revenues (Expenses)	<u>\$ 62,290</u>
Change in Net Position	\$ 2,002,474
Net Position, July 1, 2017	<u>9,737,917</u>
Net Position, June 30, 2018	<u>\$ 11,740,391</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-3

Sumner County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund Self Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 12,018,105
Payments to Suppliers	(620,246)
Claims Paid	(9,078,793)
Payments of Taxes, Duties, Fines, Fees, and Penalties	(2,981)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,316,085</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 50,474
Net Cash Provided By (Used In) Investing Activities	<u>\$ 50,474</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Insurance Recovery	\$ 11,816
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 11,816</u>
Net Increase (Decrease) In Cash	\$ 2,378,375
Cash, July 1, 2017	<u>11,588,920</u>
Cash, June 30, 2018	<u><u>\$ 13,967,295</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 1,940,184
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
Depreciation Expense	3,365
(Increase) Decrease in Accounts Receivable	814
(Increase) Decrease in Due from Other Funds	(109)
(Increase) Decrease in Accrued Interest Receivable	(4,888)
Increase (Decrease) in Accounts Payable	(8,199)
Increase (Decrease) in Accrued Leave	353
Increase (Decrease) in Due to Other Funds	714
Increase (Decrease) in Claims and Judgments Payable	<u>383,851</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 2,316,085</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Equity in Pooled Cash and Investments Per Net Position	<u>\$ 13,967,295</u>
Cash, June 30, 2018	<u><u>\$ 13,967,295</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit E

Sumner County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 9,754,465
Equity in Pooled Cash and Investments	238,577
Accounts Receivable	5,364
Due from Other Governments	<u>4,307,290</u>
Total Assets	<u><u>\$ 14,305,696</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 31,924
Due to Other Funds	45,284
Due to State of Tennessee	2,422
Due to Other Taxing Units	4,305,254
Due to Litigants, Heirs, and Others	9,816,312
Due to Joint Ventures	<u>104,500</u>
Total Liabilities	<u><u>\$ 14,305,696</u></u>

The notes to the financial statements are an integral part of this statement.

SUMNER COUNTY, TENNESSEE
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SUMNER COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sumner County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Sumner County:

A. Reporting Entity

Sumner County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Sumner County (the primary government) and its component units. The financial statements of the Sumner County Emergency Communications District, the Sumner County Regional Airport Authority, and the Resource Authority in Sumner County, Tennessee, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Sumner County School Department operates the public school system in the county, and the voters of Sumner County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Sumner County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sumner County, and the Sumner County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Sumner County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Sumner County Regional Airport Authority operates the county's airport facility. The authority is funded primarily through federal and state grants and leasing fees. Before the issuance of most debt instruments, the authority must obtain the county commission's approval. The financial statements of the Sumner County Regional Airport Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Resource Authority in Sumner County, Tennessee, provides a solid waste energy recovery plant on behalf of the residents of the county and the cities of Gallatin and Hendersonville. The authority is funded primarily through tipping fees and contributions from the county. Based on GASB Statement No. 61, the authority does not qualify as a discretely presented component unit of the county; however, management has determined it would be misleading to exclude the authority. The financial statements of the Resource Authority in Sumner County, Tennessee, were not material to the component units' opinion unit and therefore have been omitted from this report.

The Sumner County Convention and Visitors Bureau was established to advance economic, civic, and general interests related to tourism in Sumner County. The operations of the Sumner County Convention and Visitors Bureau are not considered material to the component units' opinion unit and Sumner County has not required the Sumner County Convention and Visitors Bureau to have audited financial statements.

The Sumner County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Sumner County Regional Airport Authority and the Sumner County Convention and Visitors Bureau were not available for inclusion, as previously mentioned. Complete financial statements of the Sumner County Emergency Communications District, the Sumner County Regional Airport Authority, The Resource Authority in Sumner County, Tennessee, and the Sumner County Convention and Visitors Bureau can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Sumner County Emergency Communications District
255 Airport Road
Gallatin, TN 37066

Sumner County Regional Airport Authority
1475 Airport Road
Gallatin, TN 37066

The Resource Authority in Sumner County, Tennessee
625 Rappahannock Wire Road
Gallatin, TN 37066

Sumner County Convention and Visitors Bureau
2310 Nashville Pike
Gallatin, TN 37066

Related Organizations – The Industrial Development Board of Sumner County, the Health Board of Sumner County, the Health and Educational Facilities Board of Sumner County, and the Health and Safety Standards Board of Sumner County are related organizations of Sumner County. The Sumner County Commission's Committee on Committees nominates and the Sumner County Commission confirms the board members, but the county's accountability for these organizations does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Sumner County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Sumner County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Sumner County issues all debt for the discretely presented Sumner County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2018.

Separate financial statements are provided for governmental funds, the proprietary fund (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Sumner County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Sumner County reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Sumner County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of

accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Sumner County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – This fund accounts for general capital expenditures of the county and the Sumner County School Department.

Additionally, Sumner County reports the following fund types:

Internal Service Fund – The Self-Insurance Fund is used to account for the county’s self-insured liability insurance, health, dental, and workers’ compensation programs. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of claims.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes

received by the state to be forwarded to the various cities in Sumner County, state grants and other restricted revenues held for the benefit of the judicial district drug task force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Sumner County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Sumner County School Department reports the following fund types:

Special Revenue Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended for specific education programs.

Internal Service Fund – The Employee Insurance Fund is used to account for the discretely presented Sumner County School Department's self-insured health and prescription drug plans. Premiums charged to the various school funds and employee payroll deductions are placed in this fund for the payment of claims.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The government has two proprietary funds, internal service funds, used to account for the county's self-insured liability, health, dental, and occupational compensation programs and the School Department's self-insured health and prescription drug plans. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for the internal service funds include administrative expenses and employee benefits.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash consists of cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Sumner County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General and General Debt Service funds. Sumner County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and

is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Sumner County for building codes demolition bonds (\$1,000) and the discretely presented School Department for cafeteria deposits for students (\$167,343). Claims and judgments payable in the primary government's Self-Insurance Fund and the discretely presented School Department's Employee Insurance Fund are discussed in Note V.A. Risk Management.

Retainage payable in the General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$7,500 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 30
Other Capital Assets	5 - 10
Intangible Assets	4 - 20
Infrastructure	10 - 40

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for deferred charge on refunding, pension changes in experience, pension changes in assumptions, pension changes in investment earnings, changes in proportionate share of contributions, employer contributions made to

the pension plan after the measurement date, and OPEB changes in experience.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, changes in proportionate share of contributions, OPEB changes in experience, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the county's and the discretely presented School Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the county and the School Department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, claims and judgments, pension liabilities, and termination benefits are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2018, Sumner County had \$129,602,010 in outstanding debt for capital purposes for the discretely presented Sumner County School Department. This debt is a liability of Sumner County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Sumner County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for

purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner. Committed for fund balance in the General Purpose School Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2019, totaling \$18,072,736.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget Committee to make assignments for the general government. Assigned fund balance in the General Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2019, totaling \$3,971,424.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned

to specific purposes within the General and General Purpose School funds.

9. Prior-period Adjustment

In the prior year the county received an insurance settlement related to an asset due to non-performance of a contract without a corresponding reduction in the cost of the capital asset. As a result, a prior-period adjustment reducing beginning net position by \$815,000 has been recognized for capital assets on the government-wide financial statements.

10. Restatements

In prior years, Sumner County was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Sumner County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements reducing the beginning net position of the Governmental Activities of the primary government and the discretely presented Sumner County School Department by \$2,342,930 and \$24,029,938, respectively, have been recognized to account for the transitional requirements.

In a prior year, the primary government purchased a software system to centralize accounting pursuant to a private act. In the current year, officials decided to amend the private act and allow the School Department to perform their own accounting function. As a result, a restatement reducing beginning net position by \$1,486,874 has been recognized for capital assets on the government-wide financial statements.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Sumner County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Sumner County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Sumner County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Sumner County. For this purpose, Sumner County recognizes benefit payments when due and payable in accordance with benefit terms. Sumner County's OPEB plan is not administered through a trust.

Discretely Presented Sumner County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Sumner County School Department. For this purpose, the School Department recognizes benefit payments when due and payable in accordance with benefit terms. The School Department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with government-wide Statement of Net Position.

Discretely Presented Sumner County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Sumner County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees fund (special revenue fund), which is not budgeted and the General Capital Projects Fund, which adopts a project length budget. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations

between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2018, Sumner County and the Sumner County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
General	\$ 463,286
Nonmajor Governmental	9,900
Total	<u>\$ 473,186</u>
School Department:	
General Purpose School	\$ 990,095
Total	<u>\$ 990,095</u>

B. Cash Shortage – Prior Years

The audit of Sumner County for the 2011-12 year reported a cash shortage of \$18,697 in the School Department. An investigation by the School Department's internal auditor and the local police revealed that an employee had purchased personal items with school funds. On February 15, 2013, the former employee pled guilty to one count of theft of property between \$10,000 and \$60,000. The former employee was sentenced to six years of probation and was ordered to pay restitution of \$18,697 to the Sumner County School Department. The School Department's insurance carrier paid the county \$13,697 on May 7, 2013, leaving an unpaid shortage of \$5,000 at June 30, 2018.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Sumner County and the Sumner County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2018, Sumner County had the following investments carried at amortized cost using a stable net asset value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Sumner

County and the discretely presented Sumner County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Amortized Cost</u>
State Treasurer's Investment Pool	2 to 113	N/A	\$ 2,687,294

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Sumner County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Sumner County has no investment policy that would further limit its investment choices. As of June 30, 2018, Sumner County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

The General Fund had a long-term note receivable of \$800,000 on June 30, 2018, from financing airport construction projects for the discretely presented Sumner County Regional Airport Authority, and this note is included in the committed fund balance account.

C. Capital Assets

Capital assets activity for the year ended June 30, 2018, was as follows:

Primary Government (includes Internal Service Fund)

Governmental Activities:

	* Restated			Balance
	7-1-17	Increases	Decreases	6-30-18
Capital Assets Not Depreciated:				
Land	\$ 4,004,292	\$ 0	\$ 0	\$ 4,004,292
Construction in Progress	4,833,873	936,851	(789,910)	4,980,814
Total Capital Assets Not Depreciated	\$ 8,838,165	\$ 936,851	\$ (789,910)	\$ 8,985,106
Capital Assets Depreciated:				
Buildings and Improvements	\$ 74,523,881	\$ 831,877	\$ 0	\$ 75,355,758
Infrastructure	71,635,356	4,211,741	(1,758,131)	74,088,966
Intangibles	652,364	464,197	0	1,116,561
Other Capital Assets	20,670,561	2,374,100	(1,091,146)	21,953,515
Total Capital Assets Depreciated	\$ 167,482,162	\$ 7,881,915	\$ (2,849,277)	\$ 172,514,800
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 30,568,862	\$ 2,919,045	\$ 0	\$ 33,487,907
Infrastructure	37,382,064	3,777,840	(1,758,131)	39,401,773
Intangibles	636,179	34,462	0	670,641
Other Capital Assets	14,588,443	1,538,292	(926,984)	15,199,751
Total Accumulated Depreciation	\$ 83,175,548	\$ 8,269,639	\$ (2,685,115)	\$ 88,760,072
Total Capital Assets Depreciated, Net	\$ 84,306,614	\$ (387,724)	\$ (164,162)	\$ 83,754,728
Governmental Activities Capital Assets, Net	\$ 93,144,779	\$ 549,127	\$ (954,072)	\$ 92,739,834

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$	358,438
Finance		118,754
Administration of Justice		204,162
Public Safety		2,136,656
Public Health and Welfare		762,495
Social, Cultural, and Recreational Services		515,152
Agriculture and Natural Resources		4,219
Highway/Public Works		<u>4,169,763</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>8,269,639</u></u>

Discretely Presented Sumner County School Department**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 11,726,831	\$ 0	\$ 0	\$ 11,726,831
Construction in Progress	<u>37,136,830</u>	<u>18,377,528</u>	<u>(27,822,740)</u>	<u>27,691,618</u>
Total Capital Assets Not Depreciated	<u>\$ 48,863,661</u>	<u>\$ 18,377,528</u>	<u>\$ (27,822,740)</u>	<u>\$ 39,418,449</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 415,323,638	\$ 29,190,586	\$ (986,090)	\$ 443,528,134
Other Capital Assets	<u>35,506,141</u>	<u>3,548,245</u>	<u>(2,667,386)</u>	<u>36,387,000</u>
Total Capital Assets Depreciated	<u>\$ 450,829,779</u>	<u>\$ 32,738,831</u>	<u>\$ (3,653,476)</u>	<u>\$ 479,915,134</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 225,996,828	\$ 14,748,844	\$ (971,377)	\$ 239,774,295
Other Capital Assets	<u>24,425,307</u>	<u>3,355,109</u>	<u>(2,666,405)</u>	<u>25,114,011</u>
Total Accumulated Depreciation	<u>\$ 250,422,135</u>	<u>\$ 18,103,953</u>	<u>\$ (3,637,782)</u>	<u>\$ 264,888,306</u>
Total Capital Assets Depreciated, Net	<u>\$ 200,407,644</u>	<u>\$ 14,634,878</u>	<u>\$ (15,694)</u>	<u>\$ 215,026,828</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 249,271,305</u></u>	<u><u>\$ 33,012,406</u></u>	<u><u>\$ (27,838,434)</u></u>	<u><u>\$ 254,445,277</u></u>

Depreciation expense was charged to functions of the discretely presented Sumner County School Department as follows:

Governmental Activities:

Support Services	\$ 18,083,849
Operation of Non-instructional Services	<u>20,104</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 18,103,953</u></u>

D. Construction Commitments

At June 30, 2018, the General Capital Projects Fund had uncompleted construction contracts of \$4,431,187 for multiple school renovations and additions. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Highway/Public Works	\$ 329
"	Agency	44,464
"	Internal Service	714
Highway/Public Works	General	2,176
"	Nonmajor governmental	358
"	Capital Projects	18,614
Debt Service	Agency	820
Internal Service	Highway/Public Works	29
"	General	1,203
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	3,475

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
General Purpose School	Capital Projects	\$ 110,999
Component Unit:		
Primary Government:	School Department:	
Highway/Public Works	General Purpose School	109,800

Interfund Transfers:

Interfund transfers for the year ended June 30, 2018, consisted of the following amounts:

Discretely Presented Sumner County School Department

Transfers Out	Transfers In	
	General Purpose School	Internal Service Fund
General Purpose School	\$ 0	\$ 287,171
Nonmajor governmental fund	112,938	0
Total	\$ 112,938	\$ 287,171

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

F. Long-term Obligations**Primary Government****General Obligation Bonds**

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund notes.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements

decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2018, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds	1.5 to 5 %	12-1-35	\$ 105,955,000	\$ 87,285,000
General Obligation Bonds - School Refunding	2.86	6-1-23	112,210,000	56,175,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2018, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		Total
	Principal	Interest	
2019	\$ 15,225,000	\$ 5,879,070	\$ 21,104,070
2020	15,905,000	5,204,495	21,109,495
2021	16,600,000	4,465,106	21,065,106
2022	17,325,000	3,648,831	20,973,831
2023	18,125,000	2,801,082	20,926,082
2024-2028	26,580,000	7,032,231	33,612,231
2029-2033	20,055,000	3,663,981	23,718,981
2034-2036	13,645,000	646,235	14,291,235
Total	\$ 143,460,000	\$ 33,341,031	\$ 176,801,031

There is \$23,684,584 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$893 based on the 2010 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled \$967 based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

Governmental Activities:	Internal Service Fund	
	Bonds	Claims and Judgments
Balance, July 1, 2017	\$ 158,010,000	\$ 1,821,793
Additions	0	9,462,644
Reductions	(14,550,000)	(9,078,793)
Balance, June 30, 2018	<u>\$ 143,460,000</u>	<u>\$ 2,205,644</u>
Balance Due Within One Year	<u>\$ 15,225,000</u>	<u>\$ 1,874,797</u>

	Compensated Absences	Net Pension Liability - Agent Plan*
Balance, July 1, 2017	\$ 1,228,044	\$ 1,386,878
Additions	2,130,166	4,140,259
Reductions	(2,082,285)	(7,817,020)
Balance, June 30, 2018	<u>\$ 1,275,925</u>	<u>\$ (2,289,883)</u>
Balance Due Within One Year	<u>\$ 1,275,925</u>	<u>\$ 0</u>

*At June 30, 2018, the Agent Plan has a net pension asset.

	Other Postemployment Benefits - County Insurance Plan*	Other Postemployment Benefits - Medicare Supplement Plan*
Balance, July 1, 2017	\$ 4,258,663	\$ 2,144,595
Additions	583,621	187,051
Reductions	(205,053)	(254,306)
Balance, June 30, 2018	<u>\$ 4,637,231</u>	<u>\$ 2,077,340</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

*OPEB balance at July 1, 2017, was restated. See Note I.D.10.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 153,656,140
Less: Due Within One Year	(18,375,722)
Add: Unamortized Premium on Debt	<u>11,815,237</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 147,095,655</u></u>
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The internal service fund primarily serves the governmental funds. Accordingly, long-term obligations for the internal service fund are included as part of the above totals for governmental activities. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Sumner County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Sumner County School Department for the year ended June 30, 2018, was as follows:

Governmental Activities:	Internal Service Fund	
	Compensated Absences	Claims and Judgments
Balance, July 1, 2017	\$ 2,300,458	\$ 4,169,613
Additions	1,707,281	37,210,645
Reductions	<u>(1,655,464)</u>	<u>(36,945,533)</u>
Balance, June 30, 2018	<u><u>\$ 2,352,275</u></u>	<u><u>\$ 4,434,725</u></u>
Balance Due Within One Year	<u><u>\$ 352,842</u></u>	<u><u>\$ 0</u></u>

	Other Postemployment Benefits - School Insurance Plan*	Other Postemployment Benefits - Medicare Supplement Plan*
Balance, July 1, 2017	\$ 37,015,101	\$ 16,314,188
Additions	8,796,271	1,359,539
Reductions	(2,286,052)	(2,302,708)
Balance, June 30, 2018	<u>\$ 43,525,320</u>	<u>\$ 15,371,019</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

*OPEB balance at July 1, 2017 was restated. See Note I.D.10.

	Net Pension Liability - Legacy Plan*	Net Pension Liability - Agent Plan*
Balance, July 1, 2017	\$ 17,389,612	\$ 1,504,258
Additions	9,702,960	3,874,179
Reductions	(27,987,624)	(7,521,158)
Balance, June 30, 2018	<u>\$ (895,052)</u>	<u>\$ (2,142,721)</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

*At June 30, 2018, the Legacy and Agent Plans have a net pension asset.

	Termination Benefits
Balance, July 1, 2017	\$ 83,037
Additions	71,258
Reductions	(105,207)
Balance, June 30, 2018	<u>\$ 49,088</u>
Balance Due Within One Year	<u>\$ 49,088</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 65,732,427
Less: Due Within One Year	<u>(401,930)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 65,330,497</u>

Compensated absences, termination benefits, and other postemployment benefits will be paid from the General Purpose School and School Federal Projects funds.

G. Pledges of Receivables and Future Revenues

The Sumner County Commission and the City of Hendersonville permitted the Industrial Development Board of the City of Hendersonville, Tennessee, to pledge all tax incremental financing (TIF) revenues based on an Economic Impact Plan for the Indian Lake Village Economic Development Area for up to 30 years. These revenues were pledged for the payment of \$15,000,000 of adjustable rate tax-exempt increment bonds (Series 2007A) and \$3,000,000 of adjustable rate taxable increment bonds (Series 2007B) and other debt related costs. The two series of bonds were issued on March 29, 2007, with final maturities on May 1, 2036. These bonds were to complete the “project,” which consisted of a four-lane divided median east/west connector road running parallel to Vietnam Veterans Parkway between Saundersville Road and Indian Lake Boulevard in Hendersonville, including water, sewer, electric and storm sewer utilities that are included as part of the road construction, a bridge across Drakes Creek in Hendersonville, as a continuation of the connector road, and a public park consisting of approximately 22 acres, of which four acres will be dedicated to the new Hendersonville Public Library. Additionally, these bond proceeds were also used to pay for certain costs of issuance in connection with the bonds and the payment of certain capitalized interest costs of the bonds. In addition to the bonds, these transactions also encompassed two irrevocable letters of credit, two interest rate swaps, and various other contractual agreements.

On April 29, 2016, these bonds were refinanced with a promissory note of \$11,400,000. The note’s terms are a fixed interest rate of 2.98 percent over an 84-month period with annual payments of \$1,806,347. The note also contains the provisions that a minimum balance of \$500,000 will be held by the lender as a debt service reserve and any additional tax increment revenues shall be paid to the lender and applied to reduce the principal. As of June 30, 2018, the principal balance of the promissory note was \$4,740,511, and the balance held by the lender was \$500,000.

Sumner County is not liable for the note. Sumner County’s only responsibility under the agreement is to collect and remit all tax incremental financing revenues to the Industrial Development Board. Additional information about

the debt and related financing agreements can be obtained from the Industrial Development Board of the City of Hendersonville, Tennessee, located at 101 Maple Drive North, Hendersonville, Tennessee.

H. On-Behalf Payments

Discretely Presented Sumner County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sumner County School Department. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2018, were \$168,969. The School Department has recognized these on-behalf payments as revenues and expenditures in the Employee Insurance Fund.

V. OTHER INFORMATION

A. Risk Management

The county has chosen to establish the Self-Insurance Fund for risks associated with employees' health and dental insurance plans, occupational compensation plan, and liability claims. The Self-Insurance Fund is accounted for as an Internal Service Fund in which assets are set aside for claim settlements. The county retains the risk of loss for all medical claims. The county retains the risk of loss to a limit of \$350,000 maximum tort liability, plus property damage. Claims in excess of this limit are covered by an insurance policy up to a limit of \$5,000,000 per specific claim.

All full-time employees of the primary government are eligible to participate in employee health and dental insurance. All employees of the primary government are covered under the occupational compensation plan and liability coverage. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific incremental claim adjustment expenditures/expenses, if any. In addition, estimated revenues, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Self-Insurance Fund

Fiscal Year		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2016-17	\$	2,186,391	\$	7,962,263	\$	(8,326,861)	\$	1,821,793
2017-18		1,821,793		9,462,644		(9,078,793)		2,205,644

The discretely presented Sumner County School Department has chosen to establish the Employee Insurance Fund for risks associated with certified employees' health and prescription drug insurance plans. The Employee Insurance Fund is accounted for as an Internal Service Fund in which assets are set aside for claim settlements. The School Department retains the risk of loss to a limit of \$200,000 per specific loss during the coverage period. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability up to a limit of \$1,000,000 per participant during the coverage period.

All full-time certified employees of the discretely presented Sumner County School Department are eligible to participate in employee health and prescription drug plans. A premium charge is allocated to each fund that accounts for full-time certified employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Employee Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated revenues, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance Fund

Fiscal Year		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2016-17	\$	3,694,301	\$	39,893,821	\$	(39,418,509)	\$	4,169,613
2017-18		4,169,613		37,210,645		(36,945,533)		4,434,725

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

C. Contingent Liabilities

The county is involved in several pending lawsuits. The county law director estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

The discretely presented School Department is involved in several pending lawsuits. School Department attorneys estimate that the potential claims against the School Department not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Joint Ventures

The Eighteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighteenth Judicial District, Sumner County, and various cities within the county. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district.

The Sumner County Emergency Communications Center (ECC) is a joint venture formed by an interlocal agreement between Sumner County, the Sumner County Emergency Communication District, and the Cities of Hendersonville, Gallatin, Portland, Millersville, and Westmoreland. The purpose of the ECC is to create and operate unified dispatch services in order to consolidate the efforts, information, experience, training, and resources of the individual organizations to increase effectiveness, share resources, and avoid duplication of effort in provision of E911 and dispatch services throughout the Sumner County area. The ECC is overseen by the executive committee and operations committee, as defined within the agreement. Sumner County is responsible for 32 percent of the operational expenses related to the ECC. For the year ended June 30, 2018, Sumner County incurred total expenses of \$2,931,664.

Sumner County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Eighteenth Judicial District Drug Task Force
Cordell Hull Building – Third Floor
113 West Main Street
Gallatin, Tennessee 37066

Sumner County Emergency Communications Center
c/o Sumner County Finance Office
355 North Belvedere Drive, Room 302
Gallatin, Tennessee 37066

E. Jointly Governed Organization

The county and the Cities of Gallatin, Hendersonville, Millersville, Portland, Westmoreland, White House, and Goodlettsville jointly appoint the 20-member board of the Joint Economic Development Board of Sumner County. The board is designed to promote economic and community development in the county and related cities. The county and the cities do not have any ongoing financial interest or responsibility for this entity.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Sumner County and non-certified employees of the discretely presented Sumner County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 51.66 percent, the non-certified employees of the discretely presented School Department comprise 48.34 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten

percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	1,009
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	1,352
Active Employees	2,158
Total	<u><u>4,519</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Sumner County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2018, the employer contribution for Sumner County was \$7,037,001 based on a rate of 11.75 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Sumner County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Sumner County's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Sumner County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2016	\$ 166,564,625	\$ 163,673,489	\$ 2,891,136
Changes for the Year:			
Service Cost	\$ 4,509,714	\$ 0	\$ 4,509,714
Interest	12,588,968	0	12,588,968
Differences Between Expected and Actual Experience	(2,197,405)	0	(2,197,405)
Changes in Assumptions	4,021,649	0	4,021,649
Contributions-Employer	0	7,786,613	(7,786,613)
Contributions-Employees	0	1,475	(1,475)
Net Investment Income	0	18,641,748	(18,641,748)
Benefit Payments, Including Refunds of Employee Contributions	(6,442,869)	(6,442,869)	0
Administrative Expense	0	(180,905)	180,905
Other Changes	0	(2,265)	2,265
Net Changes	\$ 12,480,057	\$ 19,803,797	\$ (7,323,740)
Balance, June 30, 2017	\$ 179,044,682	\$ 183,477,286	\$ (4,432,604)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	51.66%	\$ 92,494,483	\$ 94,784,366	\$ (2,289,883)
School Department	48.34%	86,550,199	88,692,920	(2,142,721)
Total		\$ 179,044,682	\$ 183,477,286	\$ (4,432,604)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Sumner County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were

calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Sumner County</u>	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>

Net Pension Liability (Asset) \$ 19,832,445 \$ (4,432,604) \$ (24,567,557)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense or Negative Pension Expense. For the year ended June 30, 2018, Sumner County recognized pension expense (negative pension expense) of \$4,663,064.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Sumner County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,154,477	\$ 2,154,195
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	101,640
Changes in Assumptions	3,351,374	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	<u>7,037,001</u>	<u>N/A</u>
Total	<u>\$ 11,542,852</u>	<u>\$ 2,255,835</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 6,074,217	\$ 1,165,365
School Department	5,468,635	1,090,470
Total	<u>\$ 11,542,852</u>	<u>\$ 2,255,835</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ (298,224)
2020	2,061,129
2021	854,941
2022	(671,872)
2023	304,041
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2018, Sumner County reported a payable of \$289,388 for the outstanding amount of contributions due to the pension plan at year end.

Discretely Presented Sumner County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Sumner County and non-certified employees of the discretely presented Sumner County School Department are provided

a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 51.66 percent and the non-certified employees of the discretely presented School Department comprise 48.34 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Sumner County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is

based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2018, to the Teacher Retirement Plan were \$802,807, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2018, the School Department reported a liability (asset) of (\$641,738) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was 2.432349 percent. The proportion as of June 30, 2016, was 2.389892 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$291,119.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 22,491	\$ 48,264
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	34,531
Changes in Assumptions	56,380	0
Changes in Proportion of Net Pension Liability (Asset)	7,721	4,701
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	802,807	N/A
Total	\$ 889,399	\$ 87,496

The School Department's employer contributions of \$802,807, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ (3,027)
2020	(3,027)
2021	(5,005)
2022	(13,886)
2023	2,396
Thereafter	21,644

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the School

Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 128,035	\$ (641,738)	\$ (1,206,379)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Sumner County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service

related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Sumner County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$8,546,986, which is .908 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2018, the School Department reported a liability (asset) of (\$895,052) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School

Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was 2.735624 percent. The proportion measured at June 30, 2016, was 2.782585 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$290,692.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 539,600	\$ 18,478,581
Changes in Assumptions	7,580,555	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	135,866	0
Changes in Proportion of Net Pension Liability (Asset)	829,151	247,006
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	8,546,986	N/A
Total	<u>\$ 17,632,158</u>	<u>\$ 18,725,587</u>

The School Department's employer contributions of \$8,546,986 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ (6,124,199)
2020	3,032,334
2021	(2,026,321)
2022	(4,522,231)
2023	0
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the

TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$ 80,311,519	\$ (895,052)	\$ (68,017,632)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. **Deferred Compensation**

Primary Government

Sumner County offers its employees a deferred compensation plan pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plans.

Discretely Presented Sumner County School Department

The Sumner County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and the Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a

defined contribution portion, which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$1,003,509 and teachers contributed \$362,550 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

Sumner County and the discretely presented Sumner County School Department provide OPEB benefits to their retirees through self-insured plans and state administered public entity risk pools. For reporting purposes, the plans are considered single-employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through Self-Insured Health Plans

Primary Government

Plan Description. Sumner County participates in a self-insured postemployment benefits plan administered by BlueCross BlueShield of Tennessee. Retirees of Sumner County who were hired prior to January 1, 2018, are eligible to participate in the health insurance plan accounted for in the Self-Insurance Fund (internal service fund) until they reach Medicare eligibility. Retirees of Sumner County who were hired prior to July 1, 2015, may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The self-insured postemployment benefits plan is closed to employees that were hired on or after January 1, 2018.

The premium requirements of plan members are established and amended by recommendation of the county finance director and approved by the three-member insurance committee. The committee is comprised of three county commissioners elected by the legislative body. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates.

Benefits Provided. The plan provides healthcare (including pharmacy) insurance benefits to retirees, their spouses and dependents if the retiree has 30 years of service or is age 60 with at least 20 years of service and has been eligible for coverage under the county group medical plan for a continuous five-year period immediately prior to retirement.

The benefit terms provide for the primary government to pay 75% of the medical insurance premiums (employee only) until they reach Medicare eligibility. Once the retiree reaches Medicare eligibility, dependents of the retiree are permitted to remain on the plan until age 26 and spouses of the retiree are permitted to remain on the plan until they become Medicare eligible, but the spouse and dependents are responsible for the entire cost of the premiums.

Employees Covered by Benefit Terms

At the valuation date of June 30, 2018, the following employees were covered by the benefit terms:

Status	Employee Only	Employee & Family	Total
Active	299	231	530
Retired	8	1	9
Total	307	232	539

Total OPEB Liability

The plan's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Level % of Salary method where: - Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Discount Rate	3.87%
Inflation Rate	3.0%
Salary Increases	Rates below as based on the TCRS 2016 Actuarial Valuation for teachers and local government: 7.75% with 25 years of service; 6.02% with 35 years of service; 4.74% with 45 years of service; and 3.97% with 55 years of service.
Healthcare Cost Trend Rate	9% graded down to 5% in FY2027
Mortality	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 Bond Municipal Bond index, an index acceptable under GASB 75.

The actuarial assumptions used in the June 30, 2018, valuation were based on plan data and costs presented by the primary government with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 3.58 percent as of the beginning of the measurement period to 3.87 percent as of the measurement date of June 30, 2018.

Changes in the Total OPEB Liability

	Primary Government
Balance July 1, 2017	\$ 4,258,663
Changes for the Year:	
Service Cost	\$ 287,149
Interest	161,322
Changes in assumptions	135,150
Differences between expected and actual experience	(125,139)
Benefit Payments	(79,914)
Net Changes	\$ 378,568
Balance June 30, 2018	\$ 4,637,231

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the plan recognized OPEB expense of \$449,472. At June 30, 2018, the plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 112,625
Changes of Assumptions	121,635	0
Total	<u>\$ 121,635</u>	<u>\$ 112,625</u>

Amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Primary Government</u>
2019	\$ 1,001
2020	1,001
2021	1,001
2022	1,001
2023	1,001
Thereafter	4,005

In the tables shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the discount rate of 3.87 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

Primary Government	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	\$ 5,098,220	\$ 4,637,231	\$ 4,207,658

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the healthcare cost trend rate of 9% decreasing to 5% by 2027, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (8.00%) or one percentage point higher (10.00%) than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
	8% decreasing to 4% by 2027	9% decreasing to 5% by 2027	10% decreasing to 6% by 2027
Primary Government			
Total OPEB Liability	\$ 4,006,036	\$ 4,637,231	\$ 5,403,248

Discretely Presented Sumner County School Department

Plan Description. Sumner County School Department participates in a self-insured postemployment benefits plan. Retirees of the Sumner County School Department who meet the eligibility requirements dictated in the board approved retirement benefits resolution are eligible to participate in the health insurance plan accounted for in the Self-Insurance Fund (internal service fund) until they reach Medicare eligibility. The retirees of Sumner County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The premium requirements of plan members are established and amended by recommendation of the 15-member insurance committee and approved by the Director of Schools. The committee is comprised of various school employees from across the school district including two retiree representatives. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates.

Benefits Provided. The plan allows retirees to participate in medical, dental, vision, and life insurance benefits. A retiree is eligible to participate if the retiree has 30 years of creditable service with Tennessee Consolidated Retirement System (TCRS) or is age 60 with at least 20 years of creditable service with TCRS. Retirees must have had continuous group medical coverage for the last 3 consecutive years prior to retirement to be eligible for continued medical coverage.

Based on the retirement package in which the retiree is eligible, the benefit eligibility terms provide for the school department to pay from 0% to 70% of the medical insurance premiums. Retirees receive one year of coverage for every three years of creditable service with Sumner County School Department with a maximum coverage of ten years or until the retiree is eligible for Medicare. A spouse of the retiree can continue coverage until the

spouse is Medicare eligible or remaining coverage period expires (10 years). Dependent child(ren) can continue coverage up until their 26th birthday or the remaining coverage period expires (10 years). Lastly, the School Department provides, at no cost to the retiree, a \$35,000 life insurance policy until age 70.

Employees Covered by Benefit Terms

At the valuation date of June 30, 2018, the following employees were covered by the benefit terms:

Status	Employee Only	Employee & Family	Total
Active	1,032	1,846	2,878
Retired	105	56	161
Total	1,137	1,902	3,039

Total OPEB Liability

The plan's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Level % of Salary method where: <ul style="list-style-type: none"> - Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Discount Rate	3.87%
Inflation Rate	3.0%
Salary Increases	Rates below as based on the TCRS 2016 Actuarial Valuation for teachers and local government: 7.75% with 25 years of service; 6.02% with 35 years of service; 4.74% with 45 years of service; and 3.97% with 55 years of service.
Healthcare Cost Trend Rate	9% graded down to 5% in FY2027
Mortality	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 Bond Municipal Bond index, an index acceptable under GASB 75.

The actuarial assumptions used in the June 30, 2018, valuation were based on plan data and costs presented by the primary government with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 3.58 percent as of the beginning of the measurement period to 3.87 percent as of the measurement date of June 30, 2018.

Changes in the Total OPEB Liability

	<u>School Department</u>
Balance July 1, 2017	<u>\$ 37,015,101</u>
Changes for the Year:	
Service Cost	\$ 1,987,393
Interest	1,355,729
Changes in assumptions	1,379,660
Differences between expected and actual experience	4,073,489
Benefit Payments	<u>(2,286,052)</u>
Net Changes	<u>\$ 6,510,219</u>
Balance June 30, 2018	<u><u>\$ 43,525,320</u></u>

OPEB Expense and Deferred Outflows of Resources. For the year ended June 30, 2018, the plan recognized OPEB expense of \$3,838,863. At June 30, 2018, the plan reported deferred outflows of resources related to OPEB from the following sources:

School Department	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,703,171	\$ 0
Changes of Assumptions	1,254,237	0
Total	\$ 4,957,408	\$ 0

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2019	\$ 495,741
2020	495,741
2021	495,741
2022	495,741
2023	495,741
Thereafter	2,478,703

In the tables shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the discount rate of 3.87 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
School Department	2.87%	3.87%	4.87%
Total OPEB Liability	\$ 46,871,196	\$ 43,525,320	\$ 40,351,802

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the healthcare cost trend rate of 9% decreasing to 5% by 2027, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (8.00%) or one percentage point higher (10.00%) than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
	8% decreasing to 4% by 2027	9% decreasing to 5% by 2027	10% decreasing to 6% by 2027
<u>School Department</u>			
Total OPEB Liability	\$ 39,036,870	\$ 43,525,320	\$ 48,827,738

OPEB Provided through State Administered Public Entity Risk Pools

Post-65 retirees of Sumner County and the discretely presented Sumner County School Department may join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The county and School Department's total OPEB liability for each plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2017, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2107 TCRS actuarial valuation; 3.44% to 8.2%, including inflation
Discount Rate	3.56%
Healthcare Cost Trend Rates	LGP - Based on the Getzen Model, with trend starting at 7.5% for the 2018 calendar year, and gradually decreasing 33-year period to an ultimate trend of rate of 3.53 percent with .18% added to approximate the effect of the excise tax TN-Ms- The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection, therefore trend rates ae not applicable
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.56 percent, based on the daily rate of Fidelity's 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertake on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Changes in Assumptions. The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

Closed Tennessee (TNM) OPEB Plan – Medicare (Primary Government)

Plan Description. Employees of Sumner County, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan -Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. However, the amounts reflected in this note disclosure pertain only to Sumner County. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Sumner County provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with 15-20 years of service.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>County</u>
Retirees and Beneficiaries	17
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	0
Inactive Employees Entitled to	
But Not Yet Receiving Benefits	0
Active Employees	2,626
Total	<u><u>2,643</u></u>

In accordance with TCA 8-27-209, the state insurance committees established by TCA Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2018, the county paid \$11,900 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Sumner County</u>
Balance July 1, 2016	\$ 2,144,595
Changes for the Year:	
Service Cost	121,013
Interest	66,038
Changes in	
Benefit Terms	0
Difference between	
Expected and Actuarial	
Experience	0
Changes in Assumptions	
and Other Inputs	(246,206)
Benefit Payments	<u>(8,100)</u>
Net Changes	<u><u>\$ (67,255)</u></u>
Balance June 30, 2017	<u><u>\$ 2,077,340</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the county recognized OPEB expense of \$159,695. At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions	0	218,850
Net Difference Between Projected and Benefits paid after the measurement date	11,900	0
Total	<u>\$ 11,900</u>	<u>\$ 218,850</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Sumner County
2019	\$ (27,356)
2020	(27,356)
2021	(27,356)
2022	(27,356)
2023	(27,356)
Thereafter	(82,070)

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
Total OPEB Liability	\$ 2,477,584	\$ 2,077,340	\$ 1,754,659

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are

assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Sumner County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The School Department's total OPEB liability for the TNM Plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers, noncertified employees, and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Sumner County School Department provides a direct subsidy to retired non-certified employees of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with 10 to 20 years of service. The state, as a governmental nonemployer contributing entity contributes to the premiums of certain eligible retirees (teachers) of local education agencies based on years of service. The State of Tennessee provided a direct subsidy of \$50 for eligible retirees (teachers) with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	298
Inactive Employees Entitled to But Not Yet Receiving Benefits	201
Active Employees	1,731
Total	<u><u>2,230</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2018, the School Department paid \$425,908 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Sumner County School Department 71.4924%	State of TN 28.5076%	Total OPEB Liability
Balance July 1, 2016	\$ 16,314,188	\$ 6,505,284	\$ 22,819,472
Changes for the Year:			
Service Cost	\$ 529,957	\$ 211,320	\$ 741,277
Interest	486,001	193,793	679,794
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(1,558,561)	(621,476)	(2,180,037)
Benefit Payments	(400,566)	(159,726)	(560,292)
Net Changes	<u>\$ (943,169)</u>	<u>\$ (376,089)</u>	<u>\$ (1,319,258)</u>
Balance June 30, 2017	<u>\$ 15,371,019</u>	<u>\$ 6,129,195</u>	<u>\$ 21,500,214</u>

The Sumner County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Sumner County School Department's proportionate share of the collective total OPEB liability was based on a

projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$343,581 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TMN for School Department retirees.

During the year, the Sumner County School Department's proportionate share of the collective OPEB liability for the TNM plan was 71.4924 percent and the State of Tennessee's share was 28.5076 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department recognized OPEB expense of \$1,205,226, which includes expenses funded by nonemployer contributing entities.

At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions	0	1,404,248
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	425,908	0
Total	<u>\$ 425,908</u>	<u>\$ 1,404,248</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2019	\$ (154,313)
2020	(154,313)
2021	(154,313)
2022	(154,313)
2023	(154,313)
Thereafter	(632,683)

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the School Department's proportionate share of the collective total OPEB liability related to the TNM, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
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Proportionate Share of the Collective Total OPEB Liability	\$ 17,899,322	\$ 15,371,019	\$ 13,301,801
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Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

H. Termination Benefits

In 2011-12, the discretely presented Sumner County School Department offered a voluntary retirement incentive for employees who will have 30 years of verified Tennessee Consolidated Retirement Service (TCRS), or have reached 60 years of age with a minimum of 20 years of verified teaching credit in TCRS and worked in the Sumner County school system for ten years. This incentive consists of a cash payment of \$15 per day for each sick day held by the employee at their retirement date. There is no limit to the number of accumulated days that employees can be paid under the program. During the year, 36 employees accepted the voluntary retirement incentive. Twelve employees retired during 2017-18 and received sick leave payments

totaling \$22,170. Subsequent to June 30, 2018, 24 employees retired. Therefore, the School Department had a liability for unpaid termination benefits totaling \$49,088 at June 30, 2018.

I. Office of Central Accounting and Budgeting

Sumner County operates under Chapter 113, Private Acts of 2002, as amended, which provides for a central system of accounting, budgeting, and purchasing covering all funds of the county. However, this private act also allows the Highway and School departments to perform any of the functions provided by the act. Effective June 17, 2002, the county commission authorized the Highway Department to perform purchasing functions as provided by Section 54-7-113, *Tennessee Code Annotated*, and authorized the School Department to perform payroll, accounts payable, purchases, budgets, and ledgers for the School Department.

On June 18, 2012, Sumner County adopted Chapter 70, Private Acts of 2012, which provides for a central system of accounting, budgeting, and purchasing covering all funds of the county. However, as noted in the Best Practice section of this report, the act states in part "...this 2012 Finance Act shall not serve as authorization to remove any purchasing activities or authority from the School System." Sumner County did not fully implement the private act by June 18, 2016, as required by the act. See Finding 2018-001 in the accompanying Schedule of Findings and Questioned Costs for more details.

J. Purchasing Laws

Office of Finance Director

Chapter 113, Private Acts of 2002, as amended, governs purchasing procedures for the general county government. This act does not provide for a dollar amount requiring advertisement and competitive bidding, and the financial management committee has not formally adopted a dollar amount. Therefore, public advertising provisions for the general government fall under the provisions of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide that general government purchases in excess of \$10,000 are to be made after public advertisement and competitive bidding.

Office of Superintendent of Roads

Section 54-7-113, *TCA*, (Uniform Road Law), governs purchasing procedures for the Highway Department. This statute requires all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Sumner County School Department are governed by purchasing laws applicable to schools as set

forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

On June 18, 2012, Sumner County adopted Chapter 70, Private Acts of 2012, which provides for a central system of purchasing covering all funds of the county. However, as noted in the Best Practice section of this report, the act states in part “...this 2012 Finance Act shall not serve as authorization to remove any purchasing activities or authority from the School System.” Sumner County did not fully implement the private act by June 18, 2016, as required by the act. See Finding 2018-001 in the accompanying Schedule of Findings and Questioned Costs for more details.

K. Subsequent Events

On August 31, 2018, Marty Nelson left the Office of Trustee and was succeeded by Cindy Williams.

On January 24, 2019, Sumner County issued \$95,415,000 in general obligation bonds.

REQUIRED SUPPLEMENTARY INFORMATION

Sumner County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 3,872,058	\$ 3,955,962	\$ 4,197,651	\$ 4,509,714
Interest	10,430,756	11,036,412	11,722,788	12,588,968
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	(868,375)	(67,132)	1,731,715	(2,197,405)
Changes in Assumptions	0	0	0	4,021,649
Benefit Payments, Including Refunds of Employee Contributions	(5,242,772)	(5,643,093)	(6,387,427)	(6,442,869)
Net Change in Total Pension Liability	\$ 8,191,667	\$ 9,282,149	\$ 11,264,727	\$ 12,480,057
Total Pension Liability, Beginning	137,826,082	146,017,749	155,299,898	166,564,625
Total Pension Liability, Ending (a)	\$ 146,017,749	\$ 155,299,898	\$ 166,564,625	\$ 179,044,682
Plan Fiduciary Net Position				
Contributions - Employer	\$ 6,814,957	\$ 7,084,326	\$ 7,620,318	\$ 7,786,613
Contributions - Employee	30,200	1,120	2,246	1,475
Net Investment Income	21,547,346	4,719,154	4,228,053	18,641,748
Benefit Payments, Including Refunds of Employee Contributions	(5,242,772)	(5,643,093)	(6,387,427)	(6,442,869)
Administrative Expense	(80,666)	(107,840)	(159,304)	(180,905)
Other	0	0	0	(2,265)
Net Change in Plan Fiduciary Net Position	\$ 23,069,065	\$ 6,053,667	\$ 5,303,886	\$ 19,803,797
Plan Fiduciary Net Position, Beginning	129,246,871	152,315,936	158,369,603	163,673,489
Plan Fiduciary Net Position, Ending (b)	\$ 152,315,936	\$ 158,369,603	\$ 163,673,489	\$ 183,477,286
Net Pension Liability (Asset), Ending (a - b)	\$ (6,298,187)	\$ (3,069,705)	\$ 2,891,136	\$ (4,432,604)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.31%	101.98%	98.26%	102.48%
Covered Payroll	\$ 48,332,994	\$ 50,747,320	\$ 54,578,637	\$ 55,778,009
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.03)%	(6.05)%	5.30%	(7.95)%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit F-2

Sumner County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 6,814,957	\$ 7,084,326	\$ 7,620,318	\$ 5,008,865	\$ 7,037,001
Less Contributions in Relation to the Actuarially Determined Contribution	(6,814,957)	(7,084,326)	(7,620,318)	(7,786,613)	(7,037,001)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (2,777,748)	\$ 0
Covered Payroll	\$ 48,332,994	\$ 50,747,320	\$ 54,578,637	\$ 55,778,009	\$ 58,897,461
Contributions as a Percentage of Covered Payroll	14.10%	13.96%	13.96%	13.96%	11.75%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit F-3

Sumner County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Sumner County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018
Contractually Required Contribution	\$ 228,292	\$ 420,625	\$ 638,578	\$ 802,807
Less Contributions in Relation to the Contractually Required Contribution	(228,292)	(420,625)	(638,578)	(802,807)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 5,707,298	\$ 10,515,625	\$ 15,397,403	\$ 20,070,175
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.15%	4.00%

Note: ten years of data will be presented when available.

Exhibit F-4

Sumner County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Sumner County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 9,318,045	\$ 9,369,511	\$ 9,080,291	\$ 8,741,947	\$ 8,546,986
Less Contributions in Relation to the Contractually Required Contribution	(9,318,045)	(9,369,511)	(9,080,291)	(8,741,947)	(8,546,986)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 104,932,940	\$ 100,645,167	\$ 100,445,598	\$ 97,283,833	\$ 94,129,801
Contributions as a Percentage of Covered Payroll	8.88%	9.31%	9.04%	8.99%	9.08%

Note: ten years of data will be presented when available.

Exhibit F-5

Sumner County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Pension Plan of TCRS
Discretely Presented Sumner County School Department
For the Fiscal Year Ended June 30 *

	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	2.746882%	2.389892%	2.432349%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (110,506)	\$ (248,795)	\$ (641,738)
Covered Payroll	\$ 5,707,298	\$ 10,515,625	\$ 15,397,403
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.17)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-6

Sumner County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Sumner County School Department
For the Fiscal Year Ended June 30 *

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	2.673456%	2.768665%	2.782585%	2.735624%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (434,424)	\$ 1,134,140	\$ 17,389,612	\$ (895,052)
Covered Payroll	\$ 104,932,950	\$ 103,645,167	\$ 100,445,598	\$ 97,283,833
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094252%	17.31%	(0.92)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-7

Sumner County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Self-Insured Plan
For the Fiscal Year Ended June 30

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 287,149
Interest	161,322
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(125,139)
Changes in Assumptions	135,150
Benefit Payments	<u>(79,914)</u>
Net Change in Total OPEB Liability	\$ 378,568
Total OPEB Liability, Beginning	<u>4,258,663</u>
Total OPEB Liability, Ending	<u><u>\$ 4,637,231</u></u>
 Covered Employee Payroll	 27,946,075
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	16.59%

Note 1: Ten years of data will be presented when available.

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Sumner County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare
For the Fiscal Year Ended June 30

	<u>2017</u>
Total OPEB Liability	
Service Cost	\$ 121,013
Interest	66,038
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(246,206)
Benefit Payments	(8,100)
Net Change in Total OPEB Liability	\$ (67,255)
Total OPEB Liability, Beginning	<u>2,144,595</u>
Total OPEB Liability, Ending	<u>\$ 2,077,340</u>
 Covered Employee Payroll	 \$ N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit F-9

Sumner County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Self-Insured Plan
Discretely Presented Sumner County School Department
For the Fiscal Year Ended June 30

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 1,987,393
Interest	1,355,729
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	4,073,489
Changes in Assumptions	1,379,660
Benefit Payments	<u>(2,286,052)</u>
Net Change in Total OPEB Liability	\$ 6,510,219
Total OPEB Liability, Beginning	<u>37,015,101</u>
Total OPEB Liability, Ending	<u><u>\$ 43,525,320</u></u>
 Covered Employee Payroll	 110,243,534
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	39.48%

Note 1: Ten years of data will be presented when available.

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Sumner County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare
Discretely Presented Sumner County School Department
For the Fiscal Year Ended June 30

	2017
Total OPEB Liability	
Service Cost	\$ 741,277
Interest	679,794
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(2,180,037)
Benefit Payments	(560,292)
Net Change in Total OPEB Liability	\$ (1,319,258)
Total OPEB Liability, Beginning	22,819,472
Total OPEB Liability, Ending	<u>\$ 21,500,214</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 6,129,195
Employer Proportionate Share of the Total OPEB Liability	15,371,019
Covered Employee Payroll	\$ N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

SUMNER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%, if provided

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Exhibit G-1

Sumner County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Courthouse and Jail Maintenance</u>	<u>Drug Control</u>	<u>Constitu - tional Officers - Fees</u>	<u>Nonmajor Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 5,800	\$ 5,800
Equity in Pooled Cash and Investments	298,712	111,514	0	410,226
Accounts Receivable	26,409	0	221	26,630
Due from Other Governments	8,266	4,000	0	12,266
Prepaid Items	1,396	0	0	1,396
Total Assets	<u>\$ 334,783</u>	<u>\$ 115,514</u>	<u>\$ 6,021</u>	<u>\$ 456,318</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 59,295	\$ 0	\$ 0	\$ 59,295
Due to Other Funds	358	0	0	358
Due to Litigants, Heirs, and Others	0	0	6,021	6,021
Total Liabilities	<u>\$ 59,653</u>	<u>\$ 0</u>	<u>\$ 6,021</u>	<u>\$ 65,674</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Other Deferred/Unavailable Revenue	\$ 83	\$ 3,626	\$ 0	\$ 3,709
Total Deferred Inflows of Resources	<u>\$ 83</u>	<u>\$ 3,626</u>	<u>\$ 0</u>	<u>\$ 3,709</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 1,396	\$ 0	\$ 0	\$ 1,396

(Continued)

Exhibit G-1

Sumner County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

FUND BALANCES (Cont.)

Restricted:

 Restricted for General Government

 Restricted for Public Safety

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Special Revenue Funds			Total Nonmajor Governmental Funds
Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	
\$ 273,651	\$ 0	\$ 0	\$ 273,651
0	111,888	0	111,888
\$ 275,047	\$ 111,888	\$ 0	\$ 386,935
\$ 334,783	\$ 115,514	\$ 6,021	\$ 456,318

Exhibit G-2

Sumner County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>				
Local Taxes	\$ 338,417	\$ 0	\$ 0	\$ 338,417
Fines, Forfeitures, and Penalties	0	19,759	0	19,759
Charges for Current Services	342,507	16,000	844	359,351
Other Local Revenues	105	22	0	127
State of Tennessee	8,183	0	0	8,183
Total Revenues	<u>\$ 689,212</u>	<u>\$ 35,781</u>	<u>\$ 844</u>	<u>\$ 725,837</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 593,423	\$ 0	\$ 0	\$ 593,423
Administration of Justice	0	0	844	844
Public Safety	0	61,367	0	61,367
Total Expenditures	<u>\$ 593,423</u>	<u>\$ 61,367</u>	<u>\$ 844</u>	<u>\$ 655,634</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 95,789</u>	<u>\$ (25,586)</u>	<u>\$ 0</u>	<u>\$ 70,203</u>
Net Change in Fund Balances	\$ 95,789	\$ (25,586)	\$ 0	\$ 70,203
Fund Balance, July 1, 2017	<u>179,258</u>	<u>137,474</u>	<u>0</u>	<u>316,732</u>
Fund Balance, June 30, 2018	<u>\$ 275,047</u>	<u>\$ 111,888</u>	<u>\$ 0</u>	<u>\$ 386,935</u>

Exhibit G-3

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 338,417	\$ 0	\$ 0	\$ 338,417	\$ 285,000	\$ 285,000	\$ 53,417
Charges for Current Services	342,507	0	0	342,507	225,000	225,000	117,507
Other Local Revenues	105	0	0	105	0	0	105
State of Tennessee	8,183	0	0	8,183	0	9,000	(817)
Total Revenues	\$ 689,212	\$ 0	\$ 0	\$ 689,212	\$ 510,000	\$ 519,000	\$ 170,212
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 593,423	\$ (747)	\$ 9,900	\$ 602,576	\$ 629,050	\$ 639,050	\$ 36,474
Total Expenditures	\$ 593,423	\$ (747)	\$ 9,900	\$ 602,576	\$ 629,050	\$ 639,050	\$ 36,474
Excess (Deficiency) of Revenues Over Expenditures	\$ 95,789	\$ 747	\$ (9,900)	\$ 86,636	\$ (119,050)	\$ (120,050)	\$ 206,686
Net Change in Fund Balance	\$ 95,789	\$ 747	\$ (9,900)	\$ 86,636	\$ (119,050)	\$ (120,050)	\$ 206,686
Fund Balance, July 1, 2017	179,258	(747)	0	178,511	123,918	123,918	54,593
Fund Balance, June 30, 2018	\$ 275,047	\$ 0	\$ (9,900)	\$ 265,147	\$ 4,868	\$ 3,868	\$ 261,279

Exhibit G-4

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 19,759	\$ 9,500	\$ 9,500	\$ 10,259
Charges for Current Services	16,000	16,000	16,000	0
Other Local Revenues	22	2,353	2,353	(2,331)
Total Revenues	<u>\$ 35,781</u>	<u>\$ 27,853</u>	<u>\$ 27,853</u>	<u>\$ 7,928</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 61,367	\$ 116,456	\$ 116,456	\$ 55,089
Total Expenditures	<u>\$ 61,367</u>	<u>\$ 116,456</u>	<u>\$ 116,456</u>	<u>\$ 55,089</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (25,586)</u>	<u>\$ (88,603)</u>	<u>\$ (88,603)</u>	<u>\$ 63,017</u>
Net Change in Fund Balance	\$ (25,586)	\$ (88,603)	\$ (88,603)	\$ 63,017
Fund Balance, July 1, 2017	<u>137,474</u>	<u>113,363</u>	<u>113,363</u>	<u>24,111</u>
Fund Balance, June 30, 2018	<u><u>\$ 111,888</u></u>	<u><u>\$ 24,760</u></u>	<u><u>\$ 24,760</u></u>	<u><u>\$ 87,128</u></u>

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Exhibit H

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 17,786,174	\$ 16,536,208	\$ 16,536,208	\$ 1,249,966
Other Local Revenues	1,598,893	250,000	250,000	1,348,893
State of Tennessee	8,437	8,436	8,436	1
Total Revenues	<u>\$ 19,393,504</u>	<u>\$ 16,794,644</u>	<u>\$ 16,794,644</u>	<u>\$ 2,598,860</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,568,384	\$ 1,568,384	\$ 1,568,384	\$ 0
Education	12,981,616	12,981,616	12,981,616	0
<u>Interest on Debt</u>				
General Government	523,116	523,117	523,117	1
Education	5,962,202	5,962,202	5,962,202	0
<u>Other Debt Service</u>				
General Government	243,112	472,598	472,598	229,486
Education	1,830	3,000	3,000	1,170
Total Expenditures	<u>\$ 21,280,260</u>	<u>\$ 21,510,917</u>	<u>\$ 21,510,917</u>	<u>\$ 230,657</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,886,756)</u>	<u>\$ (4,716,273)</u>	<u>\$ (4,716,273)</u>	<u>\$ 2,829,517</u>
Net Change in Fund Balance	\$ (1,886,756)	\$ (4,716,273)	\$ (4,716,273)	\$ 2,829,517
Fund Balance, July 1, 2017	25,571,340	24,191,540	24,191,540	1,379,800
Fund Balance, June 30, 2018	<u><u>\$ 23,684,584</u></u>	<u><u>\$ 19,475,267</u></u>	<u><u>\$ 19,475,267</u></u>	<u><u>\$ 4,209,317</u></u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit I-1

Sumner County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	Agency Funds				
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 8,623,312	\$ 1,131,153	\$ 0	\$ 9,754,465
Equity in Pooled Cash and Investments	0	0	168,875	69,702	238,577
Accounts Receivable	0	0	3,545	1,819	5,364
Due from Other Governments	4,305,254	0	2,036	0	4,307,290
Total Assets	<u>\$ 4,305,254</u>	<u>\$ 8,623,312</u>	<u>\$ 1,305,609</u>	<u>\$ 71,521</u>	<u>\$ 14,305,696</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 31,924	\$ 0	\$ 31,924
Due to Other Funds	0	0	41,162	4,122	45,284
Due to State of Tennessee			2,422		2,422
Due to Other Taxing Units	4,305,254	0	0	0	4,305,254
Due to Litigants, Heirs, and Others	0	8,623,312	1,125,601	67,399	9,816,312
Due to Joint Ventures	0	0	104,500	0	104,500
Total Liabilities	<u>\$ 4,305,254</u>	<u>\$ 8,623,312</u>	<u>\$ 1,305,609</u>	<u>\$ 71,521</u>	<u>\$ 14,305,696</u>

Exhibit I-2

Sumner County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 24,428,650	\$ 24,428,650	\$ 0
Due from Other Governments	4,161,668	4,305,254	4,161,668	4,305,254
Total Assets	\$ 4,161,668	\$ 28,733,904	\$ 28,590,318	\$ 4,305,254
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,161,668	\$ 28,733,904	\$ 28,590,318	\$ 4,305,254
Total Liabilities	\$ 4,161,668	\$ 28,733,904	\$ 28,590,318	\$ 4,305,254
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 6,933,929	\$ 49,293,946	\$ 47,604,563	\$ 8,623,312
Accounts Receivable	17,889	0	17,889	0
Total Assets	\$ 6,951,818	\$ 49,293,946	\$ 47,622,452	\$ 8,623,312
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 6,951,818	\$ 49,293,946	\$ 47,622,452	\$ 8,623,312
Total Liabilities	\$ 6,951,818	\$ 49,293,946	\$ 47,622,452	\$ 8,623,312
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 850,412	\$ 450,513	\$ 169,772	\$ 1,131,153
Equity in Pooled Cash and Investments	302,137	281,770	415,032	168,875
Accounts Receivable	5,331	3,545	5,331	3,545
Due from Other Governments	1,761	2,036	1,761	2,036
Accrued Interest Receivable	69	0	69	0
Total Assets	\$ 1,159,710	\$ 737,864	\$ 591,965	\$ 1,305,609
<u>Liabilities</u>				
Accounts Payable	\$ 14,330	\$ 31,924	\$ 14,330	\$ 31,924
Due to Other Funds	147,482	41,162	147,482	41,162
Due to State of Tennessee	0	2,422	0	2,422
Due to Litigants, Heirs, and Others	851,309	450,513	176,221	1,125,601
Due to Joint Ventures	146,589	211,843	253,932	104,500
Total Liabilities	\$ 1,159,710	\$ 737,864	\$ 591,965	\$ 1,305,609
<u>District Attorney General</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 72,302	\$ 23,810	\$ 26,410	\$ 69,702
Accounts Receivable	1,751	1,819	1,751	1,819
Total Assets	\$ 74,053	\$ 25,629	\$ 28,161	\$ 71,521
<u>Liabilities</u>				
Accounts Payables	\$ 23	\$ 0	\$ 23	\$ 0
Due to Other Funds	6,132	4,122	6,132	4,122
Due to Litigants, Heirs, and Others	67,898	21,507	22,006	67,399
Total Liabilities	\$ 74,053	\$ 25,629	\$ 28,161	\$ 71,521

(Continued)

Sumner County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,784,341	\$ 49,744,459	\$ 47,774,335	\$ 9,754,465
Equity in Pooled Cash and Investments	374,439	24,734,230	24,870,092	238,577
Accounts Receivable	24,971	5,364	24,971	5,364
Due from Other Governments	4,163,429	4,307,290	4,163,429	4,307,290
Accrued Interest Receivable	69	0	69	0
Total Assets	<u>\$ 12,347,249</u>	<u>\$ 78,791,343</u>	<u>\$ 76,832,896</u>	<u>\$ 14,305,696</u>
<u>Liabilities</u>				
Accounts Payable	\$ 14,353	\$ 31,924	\$ 14,353	\$ 31,924
Due to Other Funds	153,614	45,284	153,614	45,284
Due to State of Tennessee	0	2,422	0	2,422
Due to Other Taxing Units	4,161,668	28,733,904	28,590,318	4,305,254
Due to Litigants, Heirs, and Others	7,871,025	49,765,966	47,820,679	9,816,312
Due to Joint Ventures	146,589	211,843	253,932	104,500
Total Liabilities	<u>\$ 12,347,249</u>	<u>\$ 78,791,343</u>	<u>\$ 76,832,896</u>	<u>\$ 14,305,696</u>

Sumner County School Department

This section presents fund financial statements for the Sumner County School Department, a discretely presented component unit. The School Department uses a General Fund, one Special Revenue Fund, and one Internal Service Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Employee Insurance Fund – The Employee Insurance Fund is used to account for transactions pertaining to the School Department's self-insurance group medical and prescription drug plans.

Exhibit J-1

Sumner County, Tennessee
Statement of Activities
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 145,330,118	\$ 663,885	\$ 7,405,632	\$ 284,593	\$ (136,976,008)
Support Services	93,044,296	486,340	1,185,598	20,833,536	(70,538,822)
Operation of Non-instructional Services	14,988,283	6,807,533	7,642,613	0	(538,137)
Total Governmental Activities	<u>\$ 253,362,697</u>	<u>\$ 7,957,758</u>	<u>\$ 16,233,843</u>	<u>\$ 21,118,129</u>	<u>\$ (208,052,967)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 64,366,561
Local Option Sales Taxes					18,258,493
Wheel Tax					4,990,956
Mixed Drink Tax					281,270
Interstate Telecommunications Tax					152,754
Grants and Contributions Not Restricted to Specific Programs					148,258,254
Interest Income					60,881
Miscellaneous					260,100
Total General Revenues					<u>\$ 236,629,269</u>
Change in Net Position					\$ 28,576,302
Net Position, July 1, 2017					268,705,340
Restatement - See Note I.D.10.					<u>(24,029,938)</u>
Net Position, June 30, 2018					<u>\$ 273,251,704</u>

Exhibit J-2

Sumner County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Sumner County School Department
June 30, 2018

	Major Fund	Nonmajor Fund	Total
	General Purpose School	School Federal Projects	Governmental Funds
<u>ASSETS</u>			
Cash	\$ 7,685	\$ 0	\$ 7,685
Equity in Pooled Cash and Investments	42,233,526	28,141	42,261,667
Accounts Receivable	91,975	0	91,975
Due from Other Governments	8,243,656	190,562	8,434,218
Due from Other Funds	3,475	0	3,475
Due from Primary Government	110,999	0	110,999
Property Taxes Receivable	67,712,583	0	67,712,583
Allowance for Uncollectible Property Taxes	(1,161,339)	0	(1,161,339)
Prepaid Items	72,880	0	72,880
Cash Shortage	5,000	0	5,000
Total Assets	\$ 117,320,440	\$ 218,703	\$ 117,539,143
<u>LIABILITIES</u>			
Accounts Payable	\$ 811,424	\$ 15,228	\$ 826,652
Payroll Deductions Payable	399,671	0	399,671
Due to Other Funds	0	3,475	3,475
Due to Primary Government	109,800	0	109,800
Current Liabilities Payable From Restricted Assets	167,343	0	167,343
Total Liabilities	\$ 1,488,238	\$ 18,703	\$ 1,506,941
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 65,718,240	\$ 0	\$ 65,718,240
Deferred Delinquent Property Taxes	654,373	0	654,373
Other Deferred/Unavailable Revenue	1,616,499	0	1,616,499
Total Deferred Inflows of Resources	\$ 67,989,112	\$ 0	\$ 67,989,112
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 72,880	\$ 0	\$ 72,880
Restricted:			
Restricted for Education	2,452,085	0	2,452,085
Restricted for Operation of Non-instructional Services	3,007,982	0	3,007,982
Committed:			
Committed for Education	18,072,736	200,000	18,272,736
Assigned:			
Assigned for Education	990,095	0	990,095
Unassigned	23,247,312	0	23,247,312
Total Fund Balances	\$ 47,843,090	\$ 200,000	\$ 48,043,090
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 117,320,440	\$ 218,703	\$ 117,539,143

Exhibit J-3

Sumner County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Sumner County School Department
June 30, 2018

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	48,043,090
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	11,726,831	
Add: construction in progress		27,691,618	
Add: buildings and improvements net of accumulated depreciation		203,753,839	
Add: other capital assets net of accumulated depreciation		<u>11,272,989</u>	254,445,277
(2) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.			18,044,949
(3) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(2,352,275)	
Less: other postemployment benefits liability - school insurance plan		(43,525,320)	
Less: other postemployment benefits liability - medicare supplement plan		(15,371,019)	
Less: termination benefits liability		<u>(49,088)</u>	(61,297,702)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			2,270,872
(5) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:			
Add: deferred outflows of resources related to pensions	\$	23,990,192	
Less: deferred inflows of resources related to pensions		(19,903,553)	
Add: deferred outflows of resources related to OPEB		5,383,316	
Less: deferred inflows of resources related to OPEB		<u>(1,404,248)</u>	8,065,707
(6) Net pension asset of the agent, teacher retirement, and teacher legacy plans is not current financial resources and therefore is not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	2,142,721	
Add: net pension asset - teacher retirement plan		641,738	
Add: net pension asset - teacher legacy plan		<u>895,052</u>	<u>3,679,511</u>
Net position of governmental activities (Exhibit A)			<u>\$ 273,251,704</u>

Exhibit J-4

Sumner County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2018

	Major Fund	Nonmajor	
	General	Fund	
	Purpose	School	Total
	School	Federal	Governmental
		Projects	Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 89,108,208	\$ 0	\$ 89,108,208
Licenses and Permits	8,512	0	8,512
Charges for Current Services	7,801,284	0	7,801,284
Other Local Revenues	1,255,892	0	1,255,892
State of Tennessee	144,633,478	5,000	144,638,478
Federal Government	7,865,354	10,869,235	18,734,589
Total Revenues	<u>\$ 250,672,728</u>	<u>\$ 10,874,235</u>	<u>\$ 261,546,963</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 148,040,683	\$ 6,978,836	\$ 155,019,519
Support Services	77,156,051	3,389,288	80,545,339
Operation of Non-Instructional Services	15,193,525	399,379	15,592,904
Capital Outlay	1,477,405	0	1,477,405
Total Expenditures	<u>\$ 241,867,664</u>	<u>\$ 10,767,503</u>	<u>\$ 252,635,167</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,805,064</u>	<u>\$ 106,732</u>	<u>\$ 8,911,796</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 6,673	\$ 0	\$ 6,673
Transfers In	112,938	0	112,938
Transfers Out	(287,171)	(112,938)	(400,109)
Total Other Financing Sources (Uses)	<u>\$ (167,560)</u>	<u>\$ (112,938)</u>	<u>\$ (280,498)</u>
Net Change in Fund Balances	\$ 8,637,504	\$ (6,206)	\$ 8,631,298
Fund Balance, July 1, 2017	<u>39,205,586</u>	<u>206,206</u>	<u>39,411,792</u>
Fund Balance, June 30, 2018	<u>\$ 47,843,090</u>	<u>\$ 200,000</u>	<u>\$ 48,043,090</u>

Sumner County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2018

Amounts reported for governmental activities in the statement
of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 8,631,298
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,460,083	
Less: current-year depreciation expense	<u>(18,103,953)</u>	(15,643,870)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 20,833,536	
Add: gain on disposal of capital assets	103,198	
Less: loss on disposal of capital assets	(14,713)	
Less: insurance recovery and sale of capital assets	<u>(104,179)</u>	20,817,842
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2017	\$ (2,761,607)	
Add: deferred delinquent property taxes and other deferred June 30, 2018	<u>2,270,872</u>	(490,735)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in OPEB liability, net of restatement - school insurance plan	\$ (6,510,219)	
Change in OPEB liability, net of restatement - medicare supplement plan	943,169	
Change in Deferred Outflows of resources related to OPEB, net of restatement	4,982,750	
Change in Deferred Inflows of resources related to OPEB	(1,404,248)	
Change in compensated absences payable	(51,817)	
Change in termination benefits liability	33,949	
Change in deferred outflows of resources related to pensions	(14,994,783)	
Change in deferred inflows of resources related to pensions	1,427,384	
Change in net pension asset/liability - agent plan	3,646,979	
Change in net pension asset/liability - teacher retirement plan	392,943	
Change in net pension asset/liability - teacher legacy plan	<u>18,284,664</u>	6,750,771
(5) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>8,510,996</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 28,576,302</u>

Exhibit J-6

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sumner County School Department
General Purpose School Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 89,108,208	\$ 0	\$ 0	\$ 89,108,208	\$ 85,929,673	\$ 85,929,673	\$ 3,178,535
Licenses and Permits	8,512	0	0	8,512	7,895	7,895	617
Charges for Current Services	7,801,284	0	0	7,801,284	9,769,082	10,092,367	(2,291,083)
Other Local Revenues	1,255,892	0	0	1,255,892	1,224,350	1,436,122	(180,230)
State of Tennessee	144,633,478	0	0	144,633,478	142,705,356	143,681,148	952,330
Federal Government	7,865,354	0	0	7,865,354	7,891,031	8,165,728	(300,374)
Total Revenues	\$ 250,672,728	\$ 0	\$ 0	\$ 250,672,728	\$ 247,527,387	\$ 249,312,933	\$ 1,359,795
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 112,711,769	\$ (16,096)	\$ 928,930	\$ 113,624,603	\$ 120,605,540	\$ 120,935,901	\$ 7,311,298
Alternative Instruction Program	2,468,584	0	0	2,468,584	2,984,150	2,934,150	465,566
Special Education Program	23,198,696	0	0	23,198,696	23,629,670	24,170,244	971,548
Career and Technical Education Program	9,661,634	0	0	9,661,634	10,642,144	10,894,737	1,233,103
<u>Support Services</u>							
Attendance	524,716	0	0	524,716	561,096	563,096	38,380
Health Services	2,509,910	0	0	2,509,910	2,441,586	2,613,826	103,916
Other Student Support	5,874,089	0	0	5,874,089	6,383,511	6,453,057	578,968
Regular Instruction Program	6,785,401	0	0	6,785,401	7,539,528	7,537,167	751,766
Alternative Instruction Program	613,188	0	0	613,188	803,337	793,337	180,149
Special Education Program	2,762,080	0	0	2,762,080	2,824,810	3,067,370	305,290
Career and Technical Education Program	173,955	0	0	173,955	204,635	233,635	59,680
Technology	2,630,349	0	0	2,630,349	2,751,734	2,776,734	146,385
Board of Education	5,941,868	0	0	5,941,868	6,854,258	6,854,258	912,390
Director of Schools	672,926	0	0	672,926	774,758	774,758	101,832
Office of the Principal	14,986,408	0	0	14,986,408	15,953,410	16,108,410	1,122,002
Fiscal Services	2,168,904	0	0	2,168,904	2,474,896	2,454,696	285,792
Human Services/Personnel	641,482	0	0	641,482	657,178	677,378	35,896
Operation of Plant	15,282,026	(33,059)	2,384	15,251,351	16,934,683	16,624,742	1,373,391

(Continued)

Exhibit J-6

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sumner County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 6,280,898	\$ (21,600)	\$ 27,300	\$ 6,286,598	\$ 6,528,371	\$ 6,834,971	\$ 548,373
Transportation	9,307,851	(9,988)	17,039	9,314,902	10,937,460	11,141,448	1,826,546
<u>Operation of Non-Instructional Services</u>							
Food Service	12,578,170	0	0	12,578,170	15,997,835	15,984,863	3,406,693
Community Services	2,512,188	(96,455)	0	2,415,733	2,437,202	4,110,854	1,695,121
Early Childhood Education	103,167	0	0	103,167	91,292	103,214	47
<u>Capital Outlay</u>							
Regular Capital Outlay	1,477,405	(614,966)	14,442	876,881	830,000	1,766,574	889,693
Total Expenditures	\$ 241,867,664	\$ (792,164)	\$ 990,095	\$ 242,065,595	\$ 261,843,084	\$ 266,409,420	\$ 24,343,825
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,805,064	\$ 792,164	\$ (990,095)	\$ 8,607,133	\$ (14,315,697)	\$ (17,096,487)	\$ 25,703,620
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 6,673	\$ 0	\$ 0	\$ 6,673	\$ 25,000	\$ 25,000	\$ (18,327)
Transfers In	112,938	0	0	112,938	160,000	112,938	0
Transfers Out	(287,171)	0	0	(287,171)	(287,175)	(296,584)	9,413
Total Other Financing Sources	\$ (167,560)	\$ 0	\$ 0	\$ (167,560)	\$ (102,175)	\$ (158,646)	\$ (8,914)
Net Change in Fund Balance	\$ 8,637,504	\$ 792,164	\$ (990,095)	\$ 8,439,573	\$ (14,417,872)	\$ (17,255,133)	\$ 25,694,706
Fund Balance, July 1, 2017	39,205,586	(792,164)	0	38,413,422	26,452,035	26,452,035	11,961,387
Fund Balance, June 30, 2018	\$ 47,843,090	\$ 0	\$ (990,095)	\$ 46,852,995	\$ 12,034,163	\$ 9,196,902	\$ 37,656,093

Exhibit J-7

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Sumner County School Department
School Federal Projects Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Federal Government	10,869,235	10,460,744	13,603,145	(2,733,910)
Total Revenues	<u>\$ 10,874,235</u>	<u>\$ 10,460,744</u>	<u>\$ 13,603,145</u>	<u>\$ (2,728,910)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,755,324	\$ 3,722,917	\$ 4,435,599	\$ 680,275
Alternative Instruction Program	31,633	35,392	46,430	14,797
Special Education Program	2,960,852	3,213,646	3,694,776	733,924
Career and Technical Education Program	231,027	214,888	239,010	7,983
<u>Support Services</u>				
Health Services	176,412	168,816	191,409	14,997
Other Student Support	238,228	220,535	580,499	342,271
Regular Instruction Program	736,551	532,306	1,263,329	526,778
Special Education Program	2,231,573	2,253,623	2,528,897	297,324
Technology	950	0	1,000	50
Transportation	5,574	12,337	28,105	22,531
<u>Operation of Non-Instructional Services</u>				
Community Services	399,379	0	415,285	15,906
Total Expenditures	<u>\$ 10,767,503</u>	<u>\$ 10,374,460</u>	<u>\$ 13,424,339</u>	<u>\$ 2,656,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 106,732</u>	<u>\$ 86,284</u>	<u>\$ 178,806</u>	<u>\$ (72,074)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (112,938)	\$ (86,284)	\$ (147,703)	\$ 34,765
Total Other Financing Sources	<u>\$ (112,938)</u>	<u>\$ (86,284)</u>	<u>\$ (147,703)</u>	<u>\$ 34,765</u>
Net Change in Fund Balance	\$ (6,206)	\$ 0	\$ 31,103	\$ (37,309)
Fund Balance, July 1, 2017	<u>206,206</u>	<u>0</u>	<u>0</u>	<u>206,206</u>
Fund Balance, June 30, 2018	<u>\$ 200,000</u>	<u>\$ 0</u>	<u>\$ 31,103</u>	<u>\$ 168,897</u>

Exhibit J-8

Sumner County, Tennessee
Statement of Net Position
Discretely Presented Sumner County School Department
Proprietary Fund
June 30, 2018

Governmental
 Activities -
 Internal
 Service Fund

 Employee
 Insurance
 Fund

ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 22,019,081
Accounts Receivable	616,913
Total Assets	<hr/> \$ 22,635,994 <hr/>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 156,320
Claims and Judgments Payable	4,434,725
Total Liabilities	<hr/> \$ 4,591,045 <hr/>

NET POSITION

Unrestricted	<hr/> \$ 18,044,949 <hr/>
Total Net Position	<hr/> \$ 18,044,949 <hr/>

Exhibit J-9

Sumner County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Sumner County School Department
Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance Fund
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 48,933,105
Other Local Revenues:	
Retirees' Insurance Payments	2,206,229
State of Tennessee:	
On-Behalf Contributions for OPEB	168,969
Total Operating Revenues	<u>\$ 51,308,303</u>
<u>Operating Expenses</u>	
Other Programs:	
On-behalf Payments to OPEB	\$ 168,969
Central and Other:	
Handling Charges and Administrative Costs	2,983,271
Legal Services	3,101
Medical and Dental Services	1,523,406
Drugs and Medical Supplies	465,736
Excess Risk Insurance	1,388,454
Other Charges	4
Medical Claims	37,210,645
Total Operating Expenses	<u>\$ 43,743,586</u>
Operating Income (Loss)	<u>\$ 7,564,717</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 608,892
Investment Income	50,216
Total Nonoperating Revenues (Expenses)	<u>\$ 659,108</u>
Income(Loss) Before Transfers	\$ 8,223,825
Transfers In (Out)	287,171
Change in Net Position	<u>\$ 8,510,996</u>
Net Position, July 1, 2017	<u>9,533,953</u>
Net Position, June 30, 2018	<u><u>\$ 18,044,949</u></u>

Sumner County, Tennessee
Statement of Cash Flows
Discretely Presented Sumner County School Department
Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund Employee Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 51,432,059
Payments to Suppliers	(6,573,691)
Claims Paid	(36,945,533)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 7,912,835</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers from Other Funds	\$ 287,171
Insurance Recovery	608,892
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 896,063</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 50,216
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 50,216</u>
Net Increase (Decrease) In Cash	\$ 8,859,114
Cash, July 1, 2017	<u>13,159,967</u>
Cash, June 30, 2018	<u><u>\$ 22,019,081</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 7,564,717
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	123,756
Increase (Decrease) in Accounts Payable	(40,750)
Increase (Decrease) in Claims and Judgments Payable	<u>265,112</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 7,912,835</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Equity in Pooled Cash and Investments Per Net Position	<u>\$ 22,019,081</u>
Cash, June 30, 2018	<u><u>\$ 22,019,081</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Sumner County, Tennessee

Schedule of Changes in Long-term Notes, Other Loans, Capital Lease, and Bonds

For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Paid and/or Matured During Period	Outstanding 6-30-18
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation	\$ 6,555,000	2.83 %	1-29-10	6-1-20	\$ 4,280,000	\$ 1,380,000	\$ 2,900,000
School Refunding	112,210,000	2.86	5-17-11	6-1-23	65,110,000	8,935,000	56,175,000
General Obligation	30,000,000	1.5 to 5	6-7-13	12-1-23	22,920,000	1,950,000	20,970,000
General Obligation	69,400,000	2 to 5	4-29-15	12-1-35	65,700,000	2,285,000	63,415,000
Total Bonds Payable					<u>\$ 158,010,000</u>	<u>\$ 14,550,000</u>	<u>\$ 143,460,000</u>

Exhibit K-2

Sumner County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 15,225,000	\$ 5,879,070	\$ 21,104,070
2020	15,905,000	5,204,495	21,109,495
2021	16,600,000	4,465,106	21,065,106
2022	17,325,000	3,648,831	20,973,831
2023	18,125,000	2,801,082	20,926,082
2024	13,010,000	1,821,956	14,831,956
2025	3,155,000	1,517,831	4,672,831
2026	3,310,000	1,356,206	4,666,206
2027	3,470,000	1,221,407	4,691,407
2028	3,635,000	1,114,831	4,749,831
2029	3,775,000	984,806	4,759,806
2030	3,885,000	851,031	4,736,031
2031	4,005,000	732,682	4,737,682
2032	4,130,000	610,656	4,740,656
2033	4,260,000	484,806	4,744,806
2034	4,400,000	354,906	4,754,906
2035	4,545,000	217,891	4,762,891
2036	4,700,000	73,438	4,773,438
Total	\$ 143,460,000	\$ 33,341,031	\$ 176,801,031

Exhibit K-3

Sumner County, Tennessee
Schedule of Notes Receivable
Primary Government
June 30, 2018

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance
<u>PRIMARY GOVERNMENT</u>						
<u>General Fund</u>						
Various Capital Improvements	Sumner County Regional Airport Authority	\$ 800,000	1-2-14	1-2-23	3	<u>\$ 800,000</u>
Total Notes Receivable						<u><u>\$ 800,000</u></u>

Exhibit K-4

Sumner County, Tennessee
Schedule of Transfers
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2018

<u>To Fund</u>	<u>From Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED SUMNER</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Indirect costs	\$ 112,938
Employee Insurance	General Purpose School	Mixed drink tax	<u>287,171</u>
Total Transfers Discretely Presented			
Sumner County School Department			<u>\$ 400,109</u>

Exhibit K-5

Sumner County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Sumner County School Department
For the Year Ended June 30, 2018

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Executive	Sections 8-24-102 and 5-1-310, <i>TCA</i>	\$ 114,210	(1)	\$ 100,000	Hartford Fire Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	107,343		100,000	"
Director of Schools	State Board of Education and Local Board of Education	212,240	(5)	100,000	Western Surety Company
Trustee	Sections 8-24-102 and 5-1-310, <i>TCA</i>	99,084	(1)	6,294,119	Hartford Fire Insurance Company
Assessor of Property	Sections 8-24-102 and 5-1-310, <i>TCA</i>	100,084	(1)(6)	50,000	Western Surety Company
Director of Finance	County Commission	123,256	(2)	100,000	Hartford Fire Insurance Company
County Clerk	Sections 8-24-102 and 5-1-310, <i>TCA</i>	99,084	(1)	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Sections 8-24-102 and 5-1-310, <i>TCA</i>	99,084	(1)	100,000	"
Clerk and Master	Sections 8-24-102 and 5-1-310, <i>TCA</i> , and Chancery Court	97,584	(3)	100,000	"
Register of Deeds	Sections 8-24-102 and 5-1-310, <i>TCA</i>	99,084	(1)	100,000	Western Surety Company
Sheriff	Section 8-24-102, <i>TCA</i>	107,343	(4)	100,000	Hartford Fire Insurance Company
Employee Blanket Bonds					
Public Employee Dishonesty - County Departments				150,000	Travelers Casualty and Surety Company of America
Public Employee Dishonesty - School Department				150,000	"

- (1) Includes an education supplement of \$1,500.
(2) Includes longevity pay of \$900.
(3) Does not include special commissioner fees totaling \$844.
(4) Does not include a law enforcement training supplement of \$600.
(5) Includes a 403(b) retirement contribution of \$5,000 and vacation leave payout of \$12,719
(6) Includes Tennessee certified assessor's pay of \$1,000.

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2018

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 23,814,418	\$ 0	\$ 0	\$ 0	\$ 642,899	\$ 5,060,175
Trustee's Collections - Prior Year	312,537	0	0	0	6,522	171,458
Trustee's Collections - Bankruptcy	15,440	0	0	0	416	9,881
Circuit Clerk/Clerk and Master Collections - Prior Years	403,221	0	0	0	10,855	258,032
Interest and Penalty	58,964	0	0	0	1,588	29,159
Payments in-Lieu-of Taxes - T.V.A.	721	0	0	0	19	153
Payments in-Lieu-of Taxes - Local Utilities	158,825	0	0	0	4,275	33,745
Payments in-Lieu-of Taxes - Other	3,427	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	9,102,020
Hotel/Motel Tax	924,681	0	0	0	0	0
Local Amusement Tax	1,624	0	0	0	0	0
Wheel Tax	0	0	0	0	2,139,295	0
Litigation Tax - General	320,038	0	0	0	0	134,994
Litigation Tax - Special Purpose	171,721	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	338,417	0	0	0	0
Litigation Tax - Courthouse Security	319,420	0	0	0	0	0
Business Tax	2,207,600	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	227,103	0
Adequate Facilities/Development Tax	0	0	0	0	0	2,974,896
<u>Statutory Local Taxes</u>						
Bank Excise Tax	822,961	0	0	0	0	0
Wholesale Beer Tax	455,984	0	0	0	0	0
Beer Privilege Tax	2,627	0	0	0	0	0
Interstate Telecommunications Tax	54,885	0	0	0	1,477	11,661

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes (Cont.)</u>						
<u>Statutory Local Taxes (Cont.)</u>						
Other Statutory Local Taxes	\$ 7,650	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Local Taxes	\$ 30,056,744	\$ 338,417	\$ 0	\$ 0	\$ 3,034,449	\$ 17,786,174
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 6,298	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	512,371	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,188	0	0	0	0	0
Building Permits	514,711	0	0	0	0	0
Other Permits	5,825	0	0	0	500	0
Total Licenses and Permits	\$ 1,040,393	\$ 0	\$ 0	\$ 0	\$ 500	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 19,866	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	56,647	0	0	0	0	0
Drug Control Fines	0	0	3,989	0	0	0
DUI Treatment Fines	4,211	0	0	0	0	0
Data Entry Fee - Circuit Court	72,979	0	0	0	0	0
Courtroom Security Fee	1,907	0	0	0	0	0
<u>Criminal Court</u>						
Drug Court Fees	19,004	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	79,017	0	0	0	0	0

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Officers Costs	\$ 226,733	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	11,266	0	0	0
Drug Court Fees	42,917	0	0	0	0	0
DUI Treatment Fines	34,889	0	0	0	0	0
Courtroom Security Fee	9,906	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	12,115	0	0	0	0	0
Officers Costs	35,046	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	7,722	0	0	0	0	0
Data Entry Fee - Chancery Court	14,896	0	0	0	0	0
Courtroom Security Fee	8	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines for Littering	304	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	4,504	0	0	0
Other Fines, Forfeitures, and Penalties	60,234	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 698,401	\$ 0	\$ 19,759	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 156,655	\$ 0	\$ 0	\$ 0	\$ 0	0
Patient Charges	6,822,915	0	0	0	0	0
Zoning Studies	11,100	0	0	0	0	0
Work Release Charges for Board	3,260	0	0	0	0	0
Other General Service Charges	0	0	16,000	0	0	0

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Subdivision Lot Fees	\$ 70,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Engineer Review Fees	7,375	0	0	0	0	0
Copy Fees	2,512	0	0	0	0	0
Library Fees	58,928	0	0	0	0	0
Greenbelt Late Application Fee	1,200	0	0	0	0	0
Telephone Commissions	0	342,507	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	844	0	0
Data Processing Fee - Register	70,502	0	0	0	0	0
Probation Fees	509,625	0	0	0	0	0
Data Processing Fee - Sheriff	17,206	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,450	0	0	0	0	0
Data Processing Fee - County Clerk	75,218	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	675	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	14,980	0	0	0	0	0
Total Charges for Current Services	\$ 7,831,601	\$ 342,507	\$ 16,000	\$ 844	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 86,791	\$ 0	\$ 22	\$ 0	\$ 0	1,598,893
Lease/Rentals	183,762	0	0	0	0	0
Sale of Materials and Supplies	75	0	0	0	1,203	0
Commissary Sales	289,238	0	0	0	0	0
Sale of Gasoline	0	0	0	0	25,520	0
Sale of Recycled Materials	0	0	0	0	7,882	0

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
E-Rate Funding	\$ 1,114	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Animals/Livestock	44,026	0	0	0	0	0
Miscellaneous Refunds	38,817	0	0	0	1,646	0
<u>Nonrecurring Items</u>						
Gain on Disposal of Property	535	0	0	0	0	0
Sale of Equipment	61,474	0	0	0	33,040	0
Sale of Property	63,995	0	0	0	0	0
Damages Recovered from Individuals	1,074	0	0	0	0	0
Contributions and Gifts	128,457	0	0	0	0	0
Performance Bond Forfeitures	0	0	0	0	40,000	0
<u>Other Local Revenues</u>						
Other Local Revenues	1,440,760	105	0	0	0	0
Total Other Local Revenues	\$ 2,340,118	\$ 105	\$ 22	\$ 0	\$ 109,291	\$ 1,598,893
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 2,243,471	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	2,562,542	0	0	0	0	0
Clerk and Master	497,893	0	0	0	0	0
Register	1,209,886	0	0	0	0	0
Sheriff	84,536	0	0	0	0	0
Trustee	3,315,574	0	0	0	0	0
Total Fees Received From County Officials	\$ 9,913,902	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Government Grants	0	8,183	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	58,200	0	0	0	0	0
Other Public Safety Grants	73,871	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,263,159	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	390,345	0
Litter Program	0	0	0	0	73,999	0
<u>Other State Revenues</u>						
Flood Control	109,847	0	0	0	0	0
Income Tax	408,263	0	0	0	0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	21,304	0	0	0	0	0
Alcoholic Beverage Tax	246,486	0	0	0	0	0
State Revenue Sharing - T.V.A.	2,143,870	0	0	0	0	0
Emergency Hospital - Prisoners	630,981	0	0	0	0	0
Contracted Prisoner Boarding	2,692,936	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	3,563,941	0
Petroleum Special Tax	0	0	0	0	115,913	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	10,398	0	0	0	0	0
Other State Revenues	174,803	0	0	0	0	8,437
Total State of Tennessee	\$ 7,876,121	\$ 8,183	\$ 0	\$ 0	\$ 4,144,198	\$ 8,437

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	30,709	0	0	0	0	0
Homeland Security Grants	161,179	0	0	0	0	0
Law Enforcement Grants	72,740	0	0	0	0	0
Other Federal through State	10,102	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	14,523	0	0	0	0	0
Other Direct Federal Revenue	51,523	0	0	0	0	0
Total Federal Government	\$ 340,776	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	264,108	\$ 0
Contributions	383,740	0	0	0	0	0
Contracted Services	173,071	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 556,811	\$ 0	\$ 0	\$ 0	264,108	\$ 0
Total	\$ 60,654,867	\$ 689,212	\$ 35,781	\$ 844	\$ 7,552,546	\$ 19,393,504

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Capital</u> <u>Projects Fund</u>		
	<u>General</u>		
	<u>Capital</u>	<u>Projects</u>	<u>Total</u>
	<u>Projects</u>		
<hr/>			
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 15,537,185	\$	45,054,677
Trustee's Collections - Prior Year	55,282		545,799
Trustee's Collections - Bankruptcy	3,445		29,182
Circuit Clerk/Clerk and Master Collections - Prior Years	89,969		762,077
Interest and Penalty	21,729		111,440
Payments in-Lieu-of Taxes - T.V.A.	469		1,362
Payments in-Lieu-of Taxes - Local Utilities	103,329		300,174
Payments in-Lieu-of Taxes - Other	0		3,427
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0		9,102,020
Hotel/Motel Tax	0		924,681
Local Amusement Tax	0		1,624
Wheel Tax	0		2,139,295
Litigation Tax - General	0		455,032
Litigation Tax - Special Purpose	0		171,721
Litigation Tax - Jail, Workhouse, or Courthouse	0		338,417
Litigation Tax - Courthouse Security	0		319,420
Business Tax	0		2,207,600
Mineral Severance Tax	0		227,103
Adequate Facilities/Development Tax	0		2,974,896
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0		822,961
Wholesale Beer Tax	0		455,984
Beer Privilege Tax	0		2,627
Interstate Telecommunications Tax	35,707		103,730

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	General	
	Capital	
	Projects	Total
<hr/>		
<u>Local Taxes (Cont.)</u>		
<u>Statutory Local Taxes (Cont.)</u>		
Other Statutory Local Taxes	\$ 0	\$ 7,650
Total Local Taxes	\$ 15,847,115	\$ 67,062,899
<hr/>		
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 6,298
Cable TV Franchise	0	512,371
<u>Permits</u>		
Beer Permits	0	1,188
Building Permits	0	514,711
Other Permits	0	6,325
Total Licenses and Permits	\$ 0	\$ 1,040,893
<hr/>		
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 19,866
Officers Costs	0	56,647
Drug Control Fines	0	3,989
DUI Treatment Fines	0	4,211
Data Entry Fee - Circuit Court	0	72,979
Courtroom Security Fee	0	1,907
<u>Criminal Court</u>		
Drug Court Fees	0	19,004
<u>General Sessions Court</u>		
Fines	0	79,017

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General	Capital	Total
	Projects	Projects	
<hr/>			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Officers Costs	\$	0	\$ 226,733
Drug Control Fines		0	11,266
Drug Court Fees		0	42,917
DUI Treatment Fines		0	34,889
Courtroom Security Fee		0	9,906
<u>Juvenile Court</u>			
Fines		0	12,115
Officers Costs		0	35,046
<u>Chancery Court</u>			
Officers Costs		0	7,722
Data Entry Fee - Chancery Court		0	14,896
Courtroom Security Fee		0	8
<u>Other Courts - In-county</u>			
Fines for Littering		0	304
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property		0	4,504
Other Fines, Forfeitures, and Penalties		0	60,234
Total Fines, Forfeitures, and Penalties	\$	0	\$ 718,160
<hr/>			
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Self-Insurance Premiums/Contributions	\$	0	\$ 156,655
Patient Charges		0	6,822,915
Zoning Studies		0	11,100
Work Release Charges for Board		0	3,260
Other General Service Charges		0	16,000

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General		
	Capital	Projects	Total
<hr/>			
<u>Charges for Current Services (Cont.)</u>			
<u>Fees</u>			
Subdivision Lot Fees	\$	0	\$ 70,000
Engineer Review Fees		0	7,375
Copy Fees		0	2,512
Library Fees		0	58,928
Greenbelt Late Application Fee		0	1,200
Telephone Commissions		0	342,507
Special Commissioner Fees/Special Master Fees		0	844
Data Processing Fee - Register		0	70,502
Probation Fees		0	509,625
Data Processing Fee - Sheriff		0	17,206
Sexual Offender Registration Fee - Sheriff		0	9,450
Data Processing Fee - County Clerk		0	75,218
Vehicle Insurance Coverage and Reinstatement Fees		0	675
<u>Education Charges</u>			
Other Charges for Services		0	14,980
Total Charges for Current Services	\$	0	\$ 8,190,952
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 1,685,706
Lease/Rentals		0	183,762
Sale of Materials and Supplies		0	1,278
Commissary Sales		0	289,238
Sale of Gasoline		0	25,520
Sale of Recycled Materials		0	7,882

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Capital Projects Fund</u>		
	<u>General</u>		
	<u>Capital</u>		<u>Total</u>
	<u>Projects</u>		
<hr/>			
<u>Other Local Revenues (Cont.)</u>			
<u>Recurring Items (Cont.)</u>			
E-Rate Funding	\$	0	\$ 1,114
Sale of Animals/Livestock		0	44,026
Miscellaneous Refunds		0	40,463
<u>Nonrecurring Items</u>			
Gain on Disposal of Property		0	535
Sale of Equipment		0	94,514
Sale of Property		0	63,995
Damages Recovered from Individuals		0	1,074
Contributions and Gifts		0	128,457
Performance Bond Forfeitures		0	40,000
<u>Other Local Revenues</u>			
Other Local Revenues		666,559	2,107,424
Total Other Local Revenues	\$	666,559	\$ 4,714,988
<hr/>			
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$	0	\$ 2,243,471
Circuit Court Clerk		0	2,562,542
Clerk and Master		0	497,893
Register		0	1,209,886
Sheriff		0	84,536
Trustee		0	3,315,574
Total Fees Received From County Officials	\$	0	\$ 9,913,902
<hr/>			

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		General Capital Projects	Total
<hr/>				
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	9,000
Other General Government Grants		0		8,183
<u>Public Safety Grants</u>				
Law Enforcement Training Programs		0		58,200
Other Public Safety Grants		0		73,871
<u>Health and Welfare Grants</u>				
Health Department Programs		0		1,263,159
<u>Public Works Grants</u>				
State Aid Program		0		390,345
Litter Program		0		73,999
<u>Other State Revenues</u>				
Flood Control		0		109,847
Income Tax		0		408,263
Beer Tax		0		17,839
Vehicle Certificate of Title Fees		0		21,304
Alcoholic Beverage Tax		0		246,486
State Revenue Sharing - T.V.A.		0		2,143,870
Emergency Hospital - Prisoners		0		630,981
Contracted Prisoner Boarding		0		2,692,936
Gasoline and Motor Fuel Tax		0		3,563,941
Petroleum Special Tax		0		115,913
Registrar's Salary Supplement		0		15,164
Other State Grants		7,228		17,626
Other State Revenues		0		183,240
Total State of Tennessee	\$	7,228	\$	12,044,167

(Continued)

Exhibit K-6

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund	
	General	
	Capital Projects	Total
<hr/>		
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	\$ 14,828	\$ 14,828
Disaster Relief	0	30,709
Homeland Security Grants	0	161,179
Law Enforcement Grants	0	72,740
Other Federal through State	645,617	655,719
<u>Direct Federal Revenue</u>		
Police Service (Lake Area)	0	14,523
Other Direct Federal Revenue	0	51,523
Total Federal Government	<u>\$ 660,445</u>	<u>\$ 1,001,221</u>
 <u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Paving and Maintenance	\$ 0	\$ 264,108
Contributions	834,580	1,218,320
Contracted Services	0	173,071
Total Other Governments and Citizens Groups	<u>\$ 834,580</u>	<u>\$ 1,655,499</u>
 Total	 <u>\$ 18,015,927</u>	 <u>\$ 106,342,681</u>

Exhibit K-7

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2018

	General Purpose School	Special Revenue Fund School Federal Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 62,554,251	\$ 0	\$ 62,554,251
Trustee's Collections - Prior Year	862,139	0	862,139
Circuit Clerk/Clerk and Master Collections - Prior Years	1,059,156	0	1,059,156
Interest and Penalty	154,889	0	154,889
Payments in-Lieu-of Taxes - T.V.A.	1,893	0	1,893
Payments in-Lieu-of Taxes - Local Utilities	417,191	0	417,191
Payments in-Lieu-of Taxes - Other	148,355	0	148,355
<u>County Local Option Taxes</u>			
Local Option Sales Tax	18,206,771	0	18,206,771
Wheel Tax	4,990,956	0	4,990,956
Mixed Drink Tax	568,440	0	568,440
<u>Statutory Local Taxes</u>			
Interstate Telecommunications Tax	144,167	0	144,167
Total Local Taxes	<u>\$ 89,108,208</u>	<u>\$ 0</u>	<u>\$ 89,108,208</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 6,299	\$ 0	\$ 6,299
<u>Permits</u>			
Other Permits	2,213	0	2,213
Total Licenses and Permits	<u>\$ 8,512</u>	<u>\$ 0</u>	<u>\$ 8,512</u>
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Tuition - Regular Day Students	\$ 9,278	\$ 0	\$ 9,278
Tuition - Summer School	4,720	0	4,720
Tuition - Other	19,290	0	19,290
Lunch Payments - Children	4,169,700	0	4,169,700
Lunch Payments - Adults	72,526	0	72,526
Income from Breakfast	375,747	0	375,747
Receipts from Individual Schools	587,263	0	587,263
Community Service Fees - Children	2,189,560	0	2,189,560
Other Charges for Services	373,200	0	373,200
Total Charges for Current Services	<u>\$ 7,801,284</u>	<u>\$ 0</u>	<u>\$ 7,801,284</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 10,665	\$ 0	\$ 10,665
Lease/Rentals	99,307	0	99,307

(Continued)

Exhibit K-7

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

	General Purpose School	Special Revenue Fund School Federal Projects	Total
<u>Other Local Revenues (Cont.)</u>			
<u>Recurring Items (Cont.)</u>			
Sale of Materials and Supplies	\$ 43,334	\$ 0	\$ 43,334
E-Rate Funding	4,667	0	4,667
Miscellaneous Refunds	107,627	0	107,627
<u>Nonrecurring Items</u>			
Sale of Equipment	145,485	0	145,485
Damages Recovered from Individuals	7,969	0	7,969
Contributions and Gifts	823,005	0	823,005
<u>Other Local Revenues</u>			
Other Local Revenues	13,833	0	13,833
Total Other Local Revenues	\$ 1,255,892	\$ 0	\$ 1,255,892
<u>State of Tennessee</u>			
<u>State Education Funds</u>			
Basic Education Program	\$ 142,735,785	\$ 0	\$ 142,735,785
Early Childhood Education	105,147	0	105,147
School Food Service	111,985	0	111,985
Career Ladder Program	501,628	0	501,628
Vocational Equipment	284,593	0	284,593
Other Vocational	6,672	0	6,672
<u>Other State Revenues</u>			
Other State Grants	870,791	5,000	875,791
Other State Revenues	16,877	0	16,877
Total State of Tennessee	\$ 144,633,478	\$ 5,000	\$ 144,638,478
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA School Lunch Program	\$ 4,917,727	\$ 0	\$ 4,917,727
USDA - Commodities	891,031	0	891,031
Breakfast	1,529,120	0	1,529,120
USDA - Other	89,971	0	89,971
Vocational Education - Basic Grants to States	0	316,295	316,295
Other Vocational	0	4,018	4,018
Title I Grants to Local Education Agencies	0	4,101,969	4,101,969
Special Education - Grants to States	236,976	5,309,723	5,546,699
Special Education Preschool Grants	0	90,206	90,206
English Language Acquisition Grants	0	48,927	48,927
Education for Homeless Children and Youth	0	46,189	46,189
Eisenhower Professional Development State Grants	0	463,182	463,182
Other Federal through State	0	488,726	488,726

(Continued)

Exhibit K-7

Sumner County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

	General Purpose School	Special Revenue Fund School Federal Projects	Total
<hr/>			
<u>Federal Government (Cont.)</u>			
<u>Direct Federal Revenue</u>			
ROTC Reimbursement	\$ 198,708	\$ 0	\$ 198,708
Other Direct Federal Revenue	1,821	0	1,821
Total Federal Government	<u>\$ 7,865,354</u>	<u>\$ 10,869,235</u>	<u>\$ 18,734,589</u>
 Total	 <u>\$ 250,672,728</u>	 <u>\$ 10,874,235</u>	 <u>\$ 261,546,963</u>

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2018

General FundGeneral GovernmentCounty Commission

Other Salaries and Wages	\$	24,600	
Board and Committee Members Fees		142,500	
Social Security		8,454	
Pensions		1,492	
Employer Medicare		2,238	
Audit Services		59,439	
Data Processing Services		7,455	
Dues and Memberships		33,959	
Legal Notices, Recording, and Court Costs		2,074	
Printing, Stationery, and Forms		850	
Electricity		1,270	
Food Supplies		536	
Office Supplies		442	
Other Charges		4,297	
Data Processing Equipment		871	
Total County Commission			\$ 290,477

Board of Equalization

Board and Committee Members Fees	\$	1,300	
Legal Notices, Recording, and Court Costs		126	
Total Board of Equalization			1,426

Other Boards and Committees

Board and Committee Members Fees	\$	4,800	
Evaluation and Testing		3,194	
Total Other Boards and Committees			7,994

County Mayor/Executive

County Official/Administrative Officer	\$	114,210	
Assistant(s)		150,102	
Part-time Personnel		8,585	
Longevity Pay		2,250	
Social Security		16,081	
Pensions		32,072	
Life Insurance		522	
Medical Insurance		47,500	
Dental Insurance		1,362	
Employer Medicare		3,761	
Communication		2,129	
Data Processing Services		1,255	
Dues and Memberships		2,200	
Maintenance Agreements		1,381	
Postal Charges		356	
Printing, Stationery, and Forms		71	
Travel		8,959	
Data Processing Supplies		562	
Food Supplies		701	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Mayor/Executive (Cont.)

Office Supplies	\$	786	
Periodicals		115	
Other Supplies and Materials		75	
In Service/Staff Development		1,637	
Other Charges		2,982	
Data Processing Equipment		1,956	
Total County Mayor/Executive	\$		401,610

County Attorney

County Official/Administrative Officer	\$	169,084	
Longevity Pay		3,975	
Other Salaries and Wages		169,551	
Social Security		18,221	
Pensions		40,257	
Life Insurance		502	
Medical Insurance		24,166	
Dental Insurance		834	
Disability Insurance		2,759	
Employer Medicare		4,838	
Communication		2,519	
Data Processing Services		8,300	
Dues and Memberships		1,141	
Maintenance Agreements		2,830	
Postal Charges		398	
Printing, Stationery, and Forms		42	
Travel		1,357	
Other Contracted Services		44,367	
Custodial Supplies		75	
Data Processing Supplies		880	
Food Preparation Supplies		71	
Food Supplies		698	
General Construction Materials		241	
Office Supplies		1,991	
Periodicals		6,934	
Other Supplies and Materials		116	
In Service/Staff Development		975	
Other Charges		871	
Data Processing Equipment		5,528	
Furniture and Fixtures		709	
Total County Attorney			514,230

Election Commission

County Official/Administrative Officer	\$	87,286	
Secretary(ies)		195,057	
Longevity Pay		3,315	
Other Salaries and Wages		25,272	
Election Commission		3,600	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Election Workers	\$	86,807	
Social Security		19,555	
Pensions		33,698	
Life Insurance		583	
Medical Insurance		69,424	
Dental Insurance		2,335	
Employer Medicare		4,573	
Communication		729	
Data Processing Services		42,679	
Dues and Memberships		391	
Legal Notices, Recording, and Court Costs		6,839	
Maintenance Agreements		2,417	
Maintenance and Repair Services - Buildings		140	
Maintenance and Repair Services - Equipment		2,145	
Postal Charges		19,376	
Printing, Stationery, and Forms		5,069	
Travel		984	
Other Contracted Services		455	
Custodial Supplies		24	
Data Processing Supplies		1,766	
Food Preparation Supplies		102	
Food Supplies		843	
Instructional Supplies and Materials		25	
Office Supplies		2,404	
Periodicals		465	
Uniforms		1,427	
Other Supplies and Materials		2,517	
In Service/Staff Development		80	
Other Charges		62	
Communication Equipment		150	
Data Processing Equipment		5,903	
Furniture and Fixtures		104	
Office Equipment		2,422	
Other Equipment		495	
Total Election Commission			\$ 631,518

Register of Deeds

County Official/Administrative Officer	\$	99,084
Deputy(ies)		312,861
Longevity Pay		7,125
Social Security		23,926
Pensions		48,994
Life Insurance		859
Medical Insurance		92,532
Dental Insurance		3,124
Employer Medicare		5,596
Communication		1,157

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Data Processing Services	\$	47,464	
Dues and Memberships		929	
Maintenance Agreements		2,266	
Postal Charges		4,190	
Travel		2,223	
Maintenance and Repair Services - Records		9,652	
Data Processing Supplies		2,409	
Food Preparation Supplies		138	
Office Supplies		1,508	
Periodicals		20	
In Service/Staff Development		484	
Data Processing Equipment		966	
Total Register of Deeds			\$ 667,507

Planning

Supervisor/Director	\$	76,442
Investigator(s)		94,014
Secretary(ies)		43,453
Part-time Personnel		18,655
Longevity Pay		3,225
Social Security		13,423
Pensions		24,495
Life Insurance		439
Medical Insurance		54,901
Dental Insurance		1,997
Employer Medicare		3,139
Advertising		382
Communication		1,355
Data Processing Services		15,612
Dues and Memberships		16,655
Evaluation and Testing		27
Laundry Service		750
Maintenance Agreements		5,138
Maintenance and Repair Services - Vehicles		787
Postal Charges		2,001
Printing, Stationery, and Forms		2,259
Travel		2,786
Permits		3,460
Other Contracted Services		44,752
Duplicating Supplies		665
Food Supplies		1,473
Gasoline		4,652
Office Supplies		2,988
Periodicals		54
Vehicle Parts		590
Other Supplies and Materials		915
In Service/Staff Development		1,273

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Planning (Cont.)

Furniture and Fixtures	\$	467	
Office Equipment		394	
Other Equipment		1,710	
Total Planning			\$ 445,328

Building

Supervisor/Director	\$	74,007	
Investigator(s)		141,546	
Secretary(ies)		69,685	
Longevity Pay		4,125	
Social Security		16,908	
Pensions		34,001	
Life Insurance		590	
Medical Insurance		58,393	
Dental Insurance		1,871	
Employer Medicare		3,954	
Communication		4,063	
Data Processing Services		3,625	
Dues and Memberships		375	
Evaluation and Testing		707	
Licenses		230	
Maintenance Agreements		1,202	
Maintenance and Repair Services - Vehicles		5,993	
Postal Charges		1,225	
Printing, Stationery, and Forms		2,410	
Towing Services		174	
Travel		1,618	
Data Processing Supplies		355	
Food Supplies		787	
Gasoline		7,446	
Office Supplies		3,271	
Periodicals		576	
Uniforms		1,744	
Vehicle Parts		816	
Other Supplies and Materials		572	
In Service/Staff Development		1,204	
Other Charges		202	
Data Processing Equipment		5,145	
Furniture and Fixtures		210	
Other Equipment		847	
Total Building			449,877

County Buildings

Maintenance Personnel	\$	233,323	
Longevity Pay		5,175	
Social Security		13,718	
Pensions		25,866	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Life Insurance	\$	443	
Medical Insurance		65,515	
Dental Insurance		2,556	
Employer Medicare		3,208	
Communication		38,134	
Data Processing Services		3,408	
Evaluation and Testing		36	
Maintenance Agreements		2,849	
Maintenance and Repair Services - Buildings		5,207	
Maintenance and Repair Services - Equipment		18,418	
Maintenance and Repair Services - Vehicles		100	
Pest Control		23	
Rentals		126	
Travel		34	
Disposal Fees		330	
Permits		450	
Other Contracted Services		275,057	
Custodial Supplies		52	
Electricity		706,578	
Equipment and Machinery Parts		8,861	
Food Supplies		12	
Gasoline		240	
General Construction Materials		10,107	
Natural Gas		182,797	
Propane Gas		4,140	
Small Tools		723	
Uniforms		168	
Water and Sewer		277,364	
Chemicals		6	
Other Supplies and Materials		315	
Building Improvements		18,214	
Other Equipment		4,898	
Total County Buildings			\$ 1,908,451

Preservation of Records

Clerical Personnel	\$	59,298
Longevity Pay		1,275
Social Security		3,511
Pensions		6,833
Life Insurance		115
Medical Insurance		12,082
Dental Insurance		417
Employer Medicare		821
Communication		1,616
Data Processing Services		1,874
Dues and Memberships		30
Maintenance Agreements		1,186

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Preservation of Records (Cont.)

Postal Charges	\$	120	
Printing, Stationery, and Forms		72	
Data Processing Supplies		756	
Office Supplies		971	
Other Supplies and Materials		50	
Total Preservation of Records			\$ 91,027

Risk Management

Building and Contents Insurance	\$	48,469	
Liability Insurance		827,608	
Premiums on Corporate Surety Bonds		410	
Workers' Compensation Insurance		355,123	
Total Risk Management			1,231,610

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	122,356	
Accountants/Bookkeepers		356,685	
Librarians		11,975	
Longevity Pay		8,775	
Social Security		28,139	
Pensions		55,657	
Life Insurance		928	
Medical Insurance		93,195	
Dental Insurance		3,476	
Employer Medicare		6,756	
Advertising		1,568	
Communication		3,173	
Data Processing Services		39,673	
Dues and Memberships		435	
Maintenance Agreements		2,834	
Postal Charges		4,661	
Travel		1,446	
Custodial Supplies		92	
Data Processing Supplies		2,987	
Food Supplies		733	
Office Supplies		4,689	
Periodicals		1,435	
Software		4,385	
In Service/Staff Development		5,280	
Other Charges		519	
Data Processing Equipment		8,396	
Furniture and Fixtures		1,789	
Total Accounting and Budgeting			772,037

Property Assessor's Office

County Official/Administrative Officer	\$	100,084	
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(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Data Processing Personnel	\$	151,633	
Assessment Personnel		109,029	
Longevity Pay		15,675	
Other Salaries and Wages		102,020	
Social Security		27,034	
Pensions		55,923	
Life Insurance		963	
Medical Insurance		121,088	
Dental Insurance		4,221	
Employer Medicare		6,322	
Data Processing Services		26,132	
Dues and Memberships		3,445	
Maintenance Agreements		2,568	
Postal Charges		1,681	
Printing, Stationery, and Forms		432	
Travel		4,283	
Office Supplies		1,186	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		3,450	
Other Charges		186	
Data Processing Equipment		729	
Total Property Assessor's Office			\$ 738,259

Reappraisal Program

Supervisor/Director	\$	121,291	
Data Processing Personnel		32,515	
Longevity Pay		7,425	
Other Salaries and Wages		172,003	
Social Security		19,141	
Pensions		35,091	
Life Insurance		605	
Medical Insurance		61,582	
Dental Insurance		2,611	
Employer Medicare		4,477	
Audit Services		38,800	
Communication		4,318	
Data Processing Services		67,508	
Evaluation and Testing		117	
Maintenance and Repair Services - Vehicles		2,235	
Postal Charges		4,996	
Printing, Stationery, and Forms		2,155	
Travel		2,969	
Data Processing Supplies		1,689	
Food Supplies		841	
Gasoline		7,540	
Office Supplies		1,938	
Periodicals		654	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Reappraisal Program (Cont.)

Software	\$	874	
Data Processing Equipment		1,789	
Furniture and Fixtures		303	
Office Equipment		22	
Total Reappraisal Program			\$ 595,489

County Trustee's Office

County Official/Administrative Officer	\$	99,084	
Deputy(ies)		227,960	
Longevity Pay		3,975	
Social Security		18,881	
Pensions		37,386	
Life Insurance		657	
Medical Insurance		80,532	
Dental Insurance		2,669	
Employer Medicare		4,416	
Communication		1,098	
Contracts with Government Agencies		36,393	
Data Processing Services		32,175	
Dues and Memberships		1,149	
Legal Notices, Recording, and Court Costs		98	
Maintenance Agreements		1,362	
Maintenance and Repair Services - Office Equipment		190	
Postal Charges		3,142	
Printing, Stationery, and Forms		402	
Travel		3,494	
Maintenance and Repair Services - Records		252	
Custodial Supplies		10	
Data Processing Supplies		1,659	
Food Preparation Supplies		24	
Food Supplies		836	
Office Supplies		1,154	
In Service/Staff Development		855	
Data Processing Equipment		2,007	
Office Equipment		20	
Total County Trustee's Office			561,880

County Clerk's Office

County Official/Administrative Officer	\$	99,084	
Deputy(ies)		922,255	
Longevity Pay		24,525	
Social Security		55,647	
Pensions		110,825	
Life Insurance		1,849	
Medical Insurance		251,710	
Dental Insurance		9,570	
Employer Medicare		13,902	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Communication	\$	4,427	
Data Processing Services		47,007	
Dues and Memberships		954	
Maintenance Agreements		5,668	
Maintenance and Repair Services - Office Equipment		35	
Postal Charges		43,539	
Printing, Stationery, and Forms		5,833	
Travel		5,814	
Maintenance and Repair Services - Records		700	
Custodial Supplies		289	
Data Processing Supplies		12,217	
Food Preparation Supplies		18	
Office Supplies		6,558	
Periodicals		533	
In Service/Staff Development		405	
Communication Equipment		133	
Data Processing Equipment		29,017	
Furniture and Fixtures		450	
Office Equipment		130	
Total County Clerk's Office			\$ 1,653,094

Data Processing

Supervisor/Director	\$	68,558	
Data Processing Personnel		52,325	
Longevity Pay		375	
Social Security		7,059	
Pensions		14,248	
Life Insurance		229	
Medical Insurance		21,718	
Dental Insurance		718	
Employer Medicare		1,651	
Communication		2,675	
Contracts with Private Agencies		27,188	
Data Processing Services		429,443	
Dues and Memberships		99	
Maintenance and Repair Services - Equipment		137	
Postal Charges		20	
Other Contracted Services		249	
Data Processing Supplies		1,124	
Food Supplies		72	
Office Supplies		1,486	
Other Supplies and Materials		116	
Communication Equipment		64	
Data Processing Equipment		4,262	
Furniture and Fixtures		963	
Office Equipment		356	
Total Data Processing			635,135

(Continued)

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice

Circuit Court Clerk

County Official/Administrative Officer	\$	99,084	
Clerical Personnel		980,926	
Longevity Pay		18,150	
Jury and Witness Expense		37,543	
Social Security		64,365	
Pensions		123,559	
Life Insurance		2,188	
Medical Insurance		182,571	
Dental Insurance		6,383	
Employer Medicare		15,054	
Communication		3,187	
Data Processing Services		39,383	
Dues and Memberships		999	
Legal Notices, Recording, and Court Costs		175	
Maintenance Agreements		15,477	
Maintenance and Repair Services - Office Equipment		98	
Postal Charges		9,319	
Printing, Stationery, and Forms		7,816	
Travel		2,575	
Maintenance and Repair Services - Records		1,138	
Other Contracted Services		76	
Custodial Supplies		174	
Data Processing Supplies		3,784	
Food Supplies		1,136	
Office Supplies		16,336	
Periodicals		862	
In Service/Staff Development		175	
Data Processing Equipment		20,528	
Furniture and Fixtures		1,888	
Total Circuit Court Clerk			\$ 1,654,949

General Sessions Court

Judge(s)	\$	163,437	
Secretary(ies)		44,755	
Longevity Pay		375	
Social Security		10,628	
Pensions		24,507	
Life Insurance		301	
Medical Insurance		22,359	
Dental Insurance		818	
Employer Medicare		2,930	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		17	
Maintenance Agreements		1,905	
Postal Charges		59	
Printing, Stationery, and Forms		863	
Travel		618	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court (Cont.)

Other Contracted Services	\$	487	
Data Processing Supplies		20	
Office Supplies		627	
Periodicals		530	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		380	
Total General Sessions Court			\$ 275,966

General Sessions Judge

Judge(s)	\$	163,437	
Secretary(ies)		50,000	
Longevity Pay		2,100	
Social Security		11,128	
Pensions		25,326	
Life Insurance		313	
Medical Insurance		14,412	
Dental Insurance		277	
Employer Medicare		3,076	
Communication		1,095	
Data Processing Services		118	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		17	
Licenses		50	
Maintenance Agreements		2,429	
Printing, Stationery, and Forms		2,254	
Travel		254	
Other Contracted Services		980	
Data Processing Supplies		400	
Office Supplies		519	
Periodicals		1,199	
In Service/Staff Development		325	
Other Charges		100	
Furniture and Fixtures		800	
Total General Sessions Judge			280,859

Drug Court

County Official/Administrative Officer	\$	54,991	
Assistant(s)		44,192	
Part-time Personnel		35,203	
Longevity Pay		2,175	
Social Security		7,651	
Pensions		11,910	
Life Insurance		208	
Medical Insurance		6,590	
Dental Insurance		455	
Employer Medicare		1,946	
Communication		1,874	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Drug Court (Cont.)

Data Processing Services	\$	1,483	
Dues and Memberships		200	
Evaluation and Testing		289	
Maintenance Agreements		1,741	
Postal Charges		192	
Printing, Stationery, and Forms		337	
Rentals		8,400	
Travel		2,381	
Drug Treatment		1,940	
Other Contracted Services		5,375	
Custodial Supplies		242	
Data Processing Supplies		75	
Drugs and Medical Supplies		141	
Electricity		1,385	
Instructional Supplies and Materials		4,127	
Natural Gas		196	
Office Supplies		1,882	
Water and Sewer		326	
Testing		38,651	
In Service/Staff Development		500	
Data Processing Equipment		1,904	
Furniture and Fixtures		3,208	
Total Drug Court			\$ 242,170

Chancery Court

County Official/Administrative Officer	\$	97,584
Clerical Personnel		319,058
Longevity Pay		12,525
Social Security		23,872
Pensions		50,357
Life Insurance		865
Medical Insurance		142,404
Dental Insurance		5,432
Employer Medicare		5,583
Communication		3,411
Data Processing Services		17,616
Dues and Memberships		1,049
Maintenance Agreements		5,558
Maintenance and Repair Services - Buildings		105
Postal Charges		25,895
Printing, Stationery, and Forms		606
Other Contracted Services		150
Data Processing Supplies		1,730
Food Supplies		1,263
Office Supplies		3,037
Periodicals		1,026
Other Supplies and Materials		411

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court (Cont.)

In Service/Staff Development	\$	475	
Other Charges		445	
Data Processing Equipment		2,358	
Furniture and Fixtures		4,364	
Office Equipment		272	
Total Chancery Court			\$ 727,451

Juvenile Court

Judge(s)	\$	163,437	
Assistant(s)		147,295	
Secretary(ies)		89,574	
Longevity Pay		5,175	
Social Security		22,483	
Pensions		47,644	
Life Insurance		665	
Medical Insurance		39,875	
Dental Insurance		1,298	
Employer Medicare		5,708	
Communication		6,683	
Data Processing Services		8,126	
Dues and Memberships		620	
Maintenance Agreements		4,276	
Maintenance and Repair Services - Buildings		100	
Maintenance and Repair Services - Equipment		45	
Postal Charges		990	
Printing, Stationery, and Forms		1,003	
Travel		243	
Maintenance and Repair Services - Records		659	
Other Contracted Services		455	
Data Processing Supplies		2,202	
Office Supplies		357	
Periodicals		759	
Uniforms		359	
In Service/Staff Development		490	
Communication Equipment		178	
Data Processing Equipment		2,098	
Total Juvenile Court			552,797

District Attorney General

Rentals	\$	3,600	
Other Contracted Services		82,026	
Total District Attorney General			85,626

Judicial Commissioners

County Official/Administrative Officer	\$	451,508	
Longevity Pay		3,750	
Social Security		26,710	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Judicial Commissioners (Cont.)

Pensions	\$	48,897	
Life Insurance		812	
Medical Insurance		69,708	
Dental Insurance		2,808	
Employer Medicare		6,247	
Communication		1,068	
Dues and Memberships		1,125	
Maintenance Agreements		3,090	
Maintenance and Repair Services - Records		50	
Custodial Supplies		38	
Office Supplies		2,068	
Software		218	
Communication Equipment		600	
Data Processing Equipment		2,603	
Furniture and Fixtures		215	
Total Judicial Commissioners			\$ 621,515

Other Administration of Justice

Part-time Personnel	\$	12,016	
Employer Medicare		174	
Contracts with Other Public Agencies		491,925	
Postal Charges		441	
Office Supplies		40	
Other Supplies and Materials		5,339	
Total Other Administration of Justice			509,935

Probation Services

Probation Officer(s)	\$	256,664	
Clerical Personnel		41,339	
Longevity Pay		8,025	
Social Security		17,069	
Pensions		33,396	
Life Insurance		570	
Medical Insurance		56,270	
Dental Insurance		1,720	
Employer Medicare		4,182	
Communication		576	
Maintenance Agreements		1,862	
Postal Charges		218	
Printing, Stationery, and Forms		1,802	
Travel		293	
Other Contracted Services		693	
Custodial Supplies		276	
Data Processing Supplies		281	
Food Preparation Supplies		84	
Instructional Supplies and Materials		5,060	
Office Supplies		1,133	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Probation Services (Cont.)

Other Supplies and Materials	\$	15	
In Service/Staff Development		144	
Other Charges		500	
Data Processing Equipment		193	
Furniture and Fixtures		1,078	
Total Probation Services			\$ 433,443

Public SafetySheriff's Department

County Official/Administrative Officer	\$	107,343
Deputy(ies)		3,621,684
Detective(s)		484,092
Captain(s)		133,882
Lieutenant(s)		270,377
Sergeant(s)		427,267
Data Processing Personnel		72,519
Guards		460,931
Clerical Personnel		844,626
Maintenance Personnel		143,116
Part-time Personnel		135,597
Longevity Pay		157,275
Overtime Pay		4,609
Other Salaries and Wages		58,200
Social Security		396,608
Pensions		794,130
Life Insurance		13,512
Medical Insurance		1,538,740
Dental Insurance		58,896
Employer Medicare		92,758
Advertising		499
Communication		21,887
Data Processing Services		139,387
Dues and Memberships		3,575
Evaluation and Testing		21,940
Licenses		840
Maintenance Agreements		8,057
Maintenance and Repair Services - Equipment		1,923
Maintenance and Repair Services - Vehicles		75,387
Postal Charges		9,524
Printing, Stationery, and Forms		13,399
Towing Services		830
Transportation - Other than Students		41,177
Travel		22,593
Veterinary Services		48,661
Maintenance and Repair Services - Records		770
Other Contracted Services		620
Animal Food and Supplies		18,761

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Data Processing Supplies	\$	15,968	
Drugs and Medical Supplies		7,225	
Food Supplies		252	
Gasoline		255,223	
General Construction Materials		1,624	
Law Enforcement Supplies		28,100	
Lubricants		6,283	
Office Supplies		16,480	
Propane Gas		3,224	
Small Tools		858	
Uniforms		49,152	
Vehicle Parts		18,869	
Software		11,646	
Other Supplies and Materials		3,228	
In Service/Staff Development		30,226	
Other Charges		374	
Communication Equipment		17,144	
Data Processing Equipment		48,305	
Furniture and Fixtures		12,648	
Law Enforcement Equipment		64,033	
Office Equipment		1,261	
Other Equipment		3,381	
Total Sheriff's Department			\$ 10,841,496

Administration of the Sexual Offender Registry

Data Processing Services	\$	2,754	
Data Processing Supplies		507	
Other Charges		2,850	
Total Administration of the Sexual Offender Registry			6,111

Jail

Assistant(s)	\$	69,803	
Captain(s)		64,445	
Lieutenant(s)		199,698	
Sergeant(s)		304,207	
Guards		4,454,496	
Cafeteria Personnel		36,525	
Part-time Personnel		11,403	
Longevity Pay		67,950	
Social Security		302,164	
Pensions		609,282	
Life Insurance		10,293	
Medical Insurance		1,019,909	
Dental Insurance		38,524	
Employer Medicare		70,668	
Audit Services		24	
Medical and Dental Services		2,287,025	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Custodial Supplies	\$ 88,930	
Drugs and Medical Supplies	759	
Food Preparation Supplies	8,551	
Food Supplies	725,678	
Prisoners Clothing	10,580	
Other Supplies and Materials	87,095	
Total Jail		\$ 10,468,009

Juvenile Services

Youth Service Officer(s)	\$ 384,427	
Salary Supplements	5,196	
Longevity Pay	13,650	
Social Security	23,143	
Pensions	47,091	
Life Insurance	781	
Medical Insurance	85,198	
Dental Insurance	3,297	
Employer Medicare	5,413	
Communication	1,922	
Data Processing Services	1,053	
Postal Charges	500	
Travel	1,550	
Custodial Supplies	171	
Food Preparation Supplies	177	
Food Supplies	1,379	
Office Supplies	2,616	
Testing	1,446	
In Service/Staff Development	1,140	
Furniture and Fixtures	2,958	
Office Equipment	300	
Total Juvenile Services		583,408

Fire Prevention and Control

Contracts with Government Agencies	\$ 2,000	
Total Fire Prevention and Control		2,000

Rural Fire Protection

Contributions	\$ 182,000	
Total Rural Fire Protection		182,000

Other Emergency Management

Supervisor/Director	\$ 85,359	
Deputy(ies)	21,217	
Part-time Personnel	32,263	
Longevity Pay	1,125	
Social Security	8,331	
Pensions	10,162	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management (Cont.)

Life Insurance	\$	178	
Medical Insurance		16,543	
Dental Insurance		478	
Employer Medicare		1,948	
Communication		9,450	
Data Processing Services		5,471	
Dues and Memberships		235	
Evaluation and Testing		108	
Maintenance Agreements		1,470	
Maintenance and Repair Services - Equipment		8,581	
Maintenance and Repair Services - Vehicles		2,758	
Towing Services		50	
Travel		327	
Other Contracted Services		3,109	
Custodial Supplies		1,099	
Data Processing Supplies		206	
Diesel Fuel		760	
Fertilizer, Lime, and Seed		1,500	
Food Supplies		394	
Garage Supplies		813	
Gasoline		8,569	
General Construction Materials		1,210	
Office Supplies		964	
Uniforms		2,500	
Vehicle Parts		1,592	
Other Supplies and Materials		4,851	
Vehicle and Equipment Insurance		22,676	
Workers' Compensation Insurance		4,362	
In Service/Staff Development		752	
Other Charges		25,401	
Communication Equipment		12,780	
Data Processing Equipment		4,399	
Law Enforcement Equipment		36,911	
Other Equipment		39,447	
Total Other Emergency Management			\$ 380,349

County Coroner/Medical Examiner

Medical and Dental Services	\$	97,240	
Travel		1,084	
Other Contracted Services		18,000	
In Service/Staff Development		750	
Other Charges		1,234	
Total County Coroner/Medical Examiner			118,308

Other Public Safety

Supervisor/Director	\$	77,625	
Data Processing Personnel		55,258	

(Continued)

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Dispatchers/Radio Operators	\$ 1,495,118
Clerical Personnel	44,777
Part-time Personnel	60,796
Longevity Pay	17,325
Overtime Pay	230,943
Other Salaries and Wages	150
Social Security	115,946
Pensions	225,678
Life Insurance	2,945
Medical Insurance	387,199
Dental Insurance	12,803
Employer Medicare	27,116
Advertising	755
Communication	2,856
Data Processing Services	27,625
Dues and Memberships	264
Evaluation and Testing	18
Janitorial Services	490
Licenses	50
Maintenance Agreements	6,316
Maintenance and Repair Services - Buildings	337
Maintenance and Repair Services - Equipment	465
Maintenance and Repair Services - Vehicles	44
Postal Charges	463
Printing, Stationery, and Forms	2,346
Travel	1,452
Custodial Supplies	2,637
Data Processing Supplies	821
Drugs and Medical Supplies	266
Duplicating Supplies	1,457
Equipment and Machinery Parts	1,146
Food Preparation Supplies	184
Food Supplies	1,615
Gasoline	1,255
General Construction Materials	434
Instructional Supplies and Materials	500
Office Supplies	5,392
Small Tools	200
Textbooks - Bound	1,093
Uniforms	9,431
Vehicle Parts	59
Other Supplies and Materials	2,483
In Service/Staff Development	435
Building Improvements	8,225
Communication Equipment	8,676
Data Processing Equipment	3,950
Food Service Equipment	360

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Other Public Safety (Cont.)

Furniture and Fixtures	\$	4,705	
Maintenance Equipment		376	
Office Equipment		1,061	
Other Equipment		2,619	
Total Other Public Safety			\$ 2,856,540

Public Health and WelfareLocal Health Center

Custodial Personnel	\$	29,796
Longevity Pay		18,825
Other Salaries and Wages		884,773
Social Security		53,781
Pensions		93,091
Life Insurance		1,633
Medical Insurance		199,928
Dental Insurance		8,221
Employer Medicare		12,578
Advertising		36,052
Communication		23,307
Contributions		10,000
Data Processing Services		1,924
Dues and Memberships		1,045
Evaluation and Testing		29
Maintenance Agreements		2,208
Maintenance and Repair Services - Buildings		7,644
Maintenance and Repair Services - Equipment		1,626
Postal Charges		193
Printing, Stationery, and Forms		41,369
Rentals		93
Travel		20,381
Disposal Fees		3,267
Other Contracted Services		9,885
Custodial Supplies		2,104
Data Processing Supplies		2,363
Drugs and Medical Supplies		800
Electricity		60,101
Equipment and Machinery Parts		187
Food Preparation Supplies		526
Food Supplies		11,464
General Construction Materials		2,707
Instructional Supplies and Materials		9,356
Natural Gas		9,983
Office Supplies		879
Periodicals		196
Small Tools		259
Water and Sewer		4,742
Chemicals		171

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Other Supplies and Materials	\$	1,508	
Liability Insurance		813	
Other Charges		114	
Communication Equipment		440	
Data Processing Equipment		669	
Furniture and Fixtures		4,476	
Health Equipment		73	
Total Local Health Center			\$ 1,575,580

Ambulance/Emergency Medical Services

Supervisor/Director	\$	95,080
Mechanic(s)		70,250
Dispatchers/Radio Operators		764
Clerical Personnel		226,807
Attendants		3,440,238
Part-time Personnel		61,667
Longevity Pay		87,525
Overtime Pay		1,567,052
Social Security		320,613
Pensions		642,413
Life Insurance		10,095
Medical Insurance		1,063,045
Dental Insurance		40,740
Employer Medicare		74,983
Advertising		423
Communication		32,332
Consultants		600
Contracts with Government Agencies		169,241
Data Processing Services		25,224
Debt Collection Services		271,875
Dues and Memberships		760
Evaluation and Testing		2,678
Licenses		7,750
Maintenance Agreements		8,126
Maintenance and Repair Services - Buildings		425
Maintenance and Repair Services - Equipment		6,808
Maintenance and Repair Services - Vehicles		23,271
Postal Charges		764
Printing, Stationery, and Forms		379
Rentals		4,817
Towing Services		982
Travel		6,868
Disposal Fees		2,050
Maintenance and Repair Services - Records		312
Other Contracted Services		4,298
Custodial Supplies		10,782
Data Processing Supplies		4,896

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Diesel Fuel	\$	146,628	
Drugs and Medical Supplies		312,964	
Equipment and Machinery Parts		1,765	
Food Preparation Supplies		30	
Food Supplies		1,253	
Gasoline		16,463	
General Construction Materials		2,715	
Instructional Supplies and Materials		473	
Lubricants		5,140	
Office Supplies		3,708	
Textbooks - Bound		3,953	
Tires and Tubes		11,549	
Uniforms		99,899	
Vehicle Parts		57,977	
Chemicals		247	
Other Supplies and Materials		423	
Liability Insurance		24,412	
Refunds		34,424	
In Service/Staff Development		35,337	
Criminal Investigation of Applicants - TBI		262	
Other Charges		754	
Communication Equipment		10,411	
Data Processing Equipment		10,543	
Food Service Equipment		988	
Furniture and Fixtures		7,619	
Office Equipment		116	
Health Equipment		1,164	
Other Equipment		2,396	
Total Ambulance/Emergency Medical Services			\$ 9,080,546

Appropriation to State

Contracts with Government Agencies	\$	213,181	
Total Appropriation to State			213,181

General Welfare Assistance

Pauper Burials	\$	6,050	
Total General Welfare Assistance			6,050

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$	50,500	
Tax Relief Program		223,636	
Total Senior Citizens Assistance			274,136

Libraries

Librarians	\$	1,200,119	
Longevity Pay		20,625	

(Continued)

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Social Security	\$	69,250	
Pensions		107,340	
Life Insurance		1,823	
Medical Insurance		286,302	
Dental Insurance		8,580	
Employer Medicare		16,379	
Communication		10,181	
Data Processing Services		45,671	
Dues and Memberships		2,316	
Janitorial Services		48,455	
Licenses		773	
Maintenance Agreements		20,874	
Maintenance and Repair Services - Buildings		3,499	
Maintenance and Repair Services - Equipment		3,588	
Pest Control		1,548	
Postal Charges		1,973	
Printing, Stationery, and Forms		2,160	
Travel		5,539	
Disposal Fees		1,765	
Permits		165	
Other Contracted Services		14,579	
Custodial Supplies		6,172	
Data Processing Supplies		4,893	
Drugs and Medical Supplies		77	
Duplicating Supplies		55	
Electricity		95,808	
Food Preparation Supplies		720	
Food Supplies		2,328	
General Construction Materials		1,349	
Instructional Supplies and Materials		3,776	
Library Books/Media		135,149	
Natural Gas		3,800	
Office Supplies		21,157	
Periodicals		5,790	
Water and Sewer		7,544	
Other Supplies and Materials		4,359	
In Service/Staff Development		801	
Other Charges		32	
Communication Equipment		638	
Data Processing Equipment		32,663	
Furniture and Fixtures		4,773	
Office Equipment		194	
Other Equipment		1,175	
Total Libraries			\$ 2,206,757

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Agriculture and Natural ResourcesAgricultural Extension Service

County Official/Administrative Officer	\$	126,427	
Assistant(s)		124,958	
Secretary(ies)		32,678	
Longevity Pay		6,004	
Social Security		14,035	
Pensions		38,153	
Life Insurance		337	
Medical Insurance		63,494	
Dental Insurance		2,150	
Unemployment Compensation		7	
Employer Medicare		3,807	
Other Fringe Benefits		53	
Communication		1,693	
Data Processing Services		780	
Dues and Memberships		465	
Maintenance Agreements		1,171	
Maintenance and Repair Services - Buildings		75	
Maintenance and Repair Services - Equipment		93	
Travel		6,150	
Permits		50	
Office Supplies		2,309	
Data Processing Equipment		2,438	
Total Agricultural Extension Service			\$ 427,327

Soil Conservation

Secretary(ies)	\$	25,946	
Longevity Pay		2,100	
Social Security		1,480	
Pensions		3,295	
Life Insurance		64	
Medical Insurance		16,543	
Dental Insurance		628	
Employer Medicare		346	
Dues and Memberships		775	
Travel		1,856	
Data Processing Supplies		333	
Office Supplies		145	
Periodicals		20	
In Service/Staff Development		735	
Total Soil Conservation			54,266

Other OperationsTourism

Contributions	\$	560,000	
Total Tourism			560,000

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Industrial Development

Contributions	\$ 85,000	
Total Industrial Development		\$ 85,000

Veterans' Services

County Official/Administrative Officer	\$ 48,607	
Part-time Personnel	14,784	
Longevity Pay	525	
Social Security	3,877	
Pensions	5,773	
Life Insurance	102	
Dental Insurance	479	
Employer Medicare	907	
Communication	1,105	
Data Processing Services	848	
Maintenance Agreements	446	
Postal Charges	112	
Printing, Stationery, and Forms	63	
Data Processing Supplies	174	
Office Supplies	489	
Periodicals	256	
Data Processing Equipment	1,145	
Total Veterans' Services		79,692

Other Charges

Disposal Fees	\$ 157,851	
Trustee's Commission	677,986	
Other Charges	28,987	
Total Other Charges		864,824

Contributions to Other Agencies

Contributions	\$ 1,445,555	
Total Contributions to Other Agencies		1,445,555

Employee Benefits

Pensions	\$ 3,487	
Medical Insurance	59,211	
Unemployment Compensation	16,795	
Total Employee Benefits		79,493

Miscellaneous

Investigator(s)	\$ 59,850	
Clerical Personnel	39,381	
Longevity Pay	1,500	
Overtime Pay	12,903	
Other Salaries and Wages	3,750	
Social Security	7,009	
Pensions	11,712	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Miscellaneous (Cont.)

Life Insurance	\$	176	
Medical Insurance		13,420	
Dental Insurance		865	
Employer Medicare		1,639	
Total Miscellaneous			\$ 152,205

HighwaysTraffic Control

Maintenance and Repair Services - Equipment	\$	340	
Total Traffic Control			340

Capital ProjectsSocial, Cultural, and Recreation Projects

Other Contracted Services	\$	2,330	
Building Improvements		18,645	
Total Social, Cultural, and Recreation Projects			20,975

Total General Fund \$ 59,545,808

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Communication	\$	705	
Data Processing Services		11,034	
Dues and Memberships		45	
Evaluation and Testing		27	
Maintenance Agreements		197,851	
Maintenance and Repair Services - Buildings		26,611	
Maintenance and Repair Services - Equipment		106,897	
Maintenance and Repair Services - Vehicles		159	
Pest Control		12,631	
Printing, Stationery, and Forms		298	
Rentals		250	
Travel		145	
Disposal Fees		22,239	
Permits		325	
Other Contracted Services		17,311	
Concrete		1,134	
Custodial Supplies		24,034	
Equipment and Machinery Parts		23,910	
Food Supplies		1,133	
Gasoline		2,282	
General Construction Materials		108,020	
Small Tools		6,026	
Uniforms		576	
Vehicle Parts		97	
Chemicals		246	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Courthouse and Jail Maintenance Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Other Supplies and Materials	\$	623	
Trustee's Commission		6,311	
Building Improvements		2,475	
Data Processing Equipment		130	
Food Service Equipment		13,513	
Furniture and Fixtures		280	
Maintenance Equipment		795	
Other Equipment		5,310	
Total County Buildings			\$ 593,423

Total Courthouse and Jail Maintenance Fund \$ 593,423

Drug Control FundPublic SafetyDrug Enforcement

Contracts with Government Agencies	\$	2,680	
Data Processing Services		4,500	
Evaluation and Testing		2,747	
Drugs and Medical Supplies		2,352	
Law Enforcement Supplies		600	
Trustee's Commission		294	
Data Processing Equipment		1,148	
Law Enforcement Equipment		13,826	
Motor Vehicles		21,552	
Other Equipment		11,668	
Total Drug Enforcement			\$ 61,367

Total Drug Control Fund 61,367

Constitutional Officers - Fees FundAdministration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$	844	
Total Chancery Court			\$ 844

Total Constitutional Officers - Fees Fund 844

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	107,343	
Clerical Personnel		83,907	
Advertising		446	
Data Processing Services		16,830	
Dues and Memberships		3,995	
Legal Services		4,700	
Legal Notices, Recording, and Court Costs		114	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Administration (Cont.)

Maintenance Agreements	\$	1,782	
Postal Charges		42	
Printing, Stationery, and Forms		104	
Travel		1,488	
Other Contracted Services		369	
Data Processing Supplies		428	
Drugs and Medical Supplies		108	
Office Supplies		1,310	
In Service/Staff Development		325	
Other Charges		80	
Total Administration			\$ 223,371

Highway and Bridge Maintenance

Foremen	\$	175,760	
Equipment Operators		774,906	
Truck Drivers		461,967	
Laborers		480	
Consultants		3,100	
Engineering Services		26,250	
Evaluation and Testing		1,130	
Other Contracted Services		101,340	
Asphalt - Hot Mix		2,547,316	
Asphalt - Liquid		70,872	
Concrete		56,179	
Crushed Stone		349,794	
Fertilizer, Lime, and Seed		4,108	
Food Supplies		395	
General Construction Materials		31,600	
Other Road Materials		3,041	
Pipe		17,076	
Pipe - Concrete		54,191	
Pipe - Metal		378	
Propane Gas		431	
Road Signs		11,165	
Salt		88,648	
Sand		2,849	
Small Tools		4,801	
Structural Steel		4,804	
Uniforms		574	
Wood Products		3,846	
Chemicals		8,778	
In Service/Staff Development		225	
Total Highway and Bridge Maintenance			4,806,004

Operation and Maintenance of Equipment

Foremen	\$	53,893	
Mechanic(s)		172,972	

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Truck Drivers	\$	18,372	
Laborers		37,254	
Custodial Personnel		25,042	
Data Processing Services		720	
Evaluation and Testing		1,866	
Laundry Service		1,645	
Maintenance and Repair Services - Buildings		15,116	
Maintenance and Repair Services - Equipment		12,147	
Maintenance and Repair Services - Vehicles		6,590	
Rentals		1,099	
Disposal Fees		787	
Permits		250	
Custodial Supplies		1,828	
Diesel Fuel		247,132	
Equipment and Machinery Parts		130,654	
Garage Supplies		7,829	
Gasoline		56,123	
General Construction Materials		10,458	
Lubricants		19,121	
Small Tools		3,981	
Tires and Tubes		63,206	
Vehicle Parts		81,976	
Other Supplies and Materials		209	
In Service/Staff Development		450	
Other Charges		52	
Total Operation and Maintenance of Equipment			\$ 970,772

Quarry Operations

Permits	\$	2,080	
Penalties		118	
Other Contracted Services		1,800	
Electricity		1,338	
General Construction Materials		61	
Propane Gas		515	
Water and Sewer		2,891	
Other Supplies and Materials		143	
In Service/Staff Development		350	
Total Quarry Operations			9,296

Litter and Trash Collection

Guards	\$	33,497	
Clerical Personnel		4,630	
Instructional Supplies and Materials		25,546	
Other Supplies and Materials		4,347	
Other Charges		3,914	
Total Litter and Trash Collection			71,934

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges

Communication	\$	4,316	
Data Processing Services		2,055	
Electricity		19,858	
Natural Gas		4,891	
Propane Gas		979	
Water and Sewer		3,157	
Building and Contents Insurance		3,368	
Liability Insurance		253,583	
Trustee's Commission		72,818	
Vehicle and Equipment Insurance		78,661	
Other Charges		3,091	
Total Other Charges			\$ 446,777

Employee Benefits

Longevity Pay	\$	42,104	
Social Security		115,156	
Pensions		228,048	
Life Insurance		4,402	
Medical Insurance		461,761	
Dental Insurance		15,908	
Unemployment Compensation		11,275	
Employer Medicare		26,960	
Workers' Compensation Insurance		158,912	
Total Employee Benefits			1,064,526

Capital Outlay

Communication Equipment	\$	1,960	
Furniture and Fixtures		2,418	
Highway Equipment		114,552	
Motor Vehicles		346,420	
Office Equipment		242	
Total Capital Outlay			465,592

Total Highway/Public Works Fund \$ 8,058,272

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	1,568,384	
Total General Government			\$ 1,568,384

Education

Principal on Bonds	\$	12,981,616	
Total Education			12,981,616

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)Interest on DebtGeneral Government

Interest on Bonds	\$ 523,116	
Total General Government		\$ 523,116

Education

Interest on Bonds	\$ 5,962,202	
Total Education		5,962,202

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 242,612	
Other Charges	500	
Total General Government		243,112

Education

Other Charges	\$ 1,830	
Total Education		1,830

Total General Debt Service Fund		\$ 21,280,260
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General Capital Projects FundCapital ProjectsGeneral Administration Projects

Trustee's Commission	\$ 312,934	
Total General Administration Projects		\$ 312,934

Administration of Justice Projects

Other Contracted Services	\$ 114,662	
Building Improvements	20,136	
Total Administration of Justice Projects		134,798

Public Safety Projects

Maintenance and Repair Services - Equipment	\$ 33,919	
Building Construction	465,837	
Building Improvements	220,467	
Communication Equipment	29,575	
Data Processing Equipment	125,699	
Motor Vehicles	584,161	
Other Equipment	23,310	
Total Public Safety Projects		1,482,968

Public Health and Welfare Projects

Architects	\$ 1,171	
Building Construction	50,399	
Building Improvements	19,395	
Data Processing Equipment	53,000	
Motor Vehicles	718,750	
Other Capital Outlay	6,577	
Total Public Health and Welfare Projects		849,292

(Continued)

Exhibit K-8

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Capital Projects Fund (Cont.)Capital Projects (Cont.)Social, Cultural, and Recreation Projects

Other Contracted Services	\$	70,023	
Site Development		216,921	
Other Construction		298,616	
Total Social, Cultural, and Recreation Projects			\$ 585,560

Other General Government Projects

Data Processing Services	\$	25,020	
Building Improvements		259,014	
Data Processing Equipment		144,088	
Food Service Equipment		6,453	
Heating and Air Conditioning Equipment		19,514	
Motor Vehicles		27,500	
Other Equipment		71,421	
Other Capital Outlay		23,691	
Total Other General Government Projects			576,701

Highway and Street Capital Projects

Traffic Control Equipment	\$	9,860	
Total Highway and Street Capital Projects			9,860

Education Capital Projects

Architects	\$	50,250	
Total Education Capital Projects			50,250

Capital Projects - DonatedCapital Projects Donated to School Department

Architects	\$	412,205	
Building Improvements		13,919,495	
Data Processing Equipment		103,711	
Furniture and Fixtures		136,811	
Heating and Air Conditioning Equipment		3,736,735	
Transportation Equipment		1,937,598	
Other Construction		213,871	
Other Capital Outlay		70,154	
Total Capital Projects Donated to School Department			20,530,580

Total General Capital Projects Fund \$ 24,532,943

Total Governmental Funds - Primary Government \$ 114,072,917

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2018

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 73,564,019	
Career Ladder Program	254,418	
Homebound Teachers	129,817	
Educational Assistants	1,574,915	
Other Salaries and Wages	560,600	
Certified Substitute Teachers	734,438	
Non-certified Substitute Teachers	297,809	
Social Security	4,440,911	
Pensions	6,785,480	
Life Insurance	115,982	
Medical Insurance	18,707,619	
Dental Insurance	779,713	
Employer Medicare	1,048,345	
Maintenance and Repair Services - Equipment	64,018	
Other Contracted Services	55,214	
Instructional Supplies and Materials	1,740,846	
Textbooks - Bound	638,533	
Software	284,134	
Other Supplies and Materials	4,248	
Fee Waivers	161,046	
Other Charges	19,111	
Regular Instruction Equipment	750,553	
Total Regular Instruction Program		\$ 112,711,769

Alternative Instruction Program

Teachers	\$ 1,066,957	
Career Ladder Program	3,482	
Educational Assistants	164,728	
Other Salaries and Wages	243,436	
Certified Substitute Teachers	7,450	
Non-certified Substitute Teachers	1,301	
Social Security	82,530	
Pensions	143,521	
Life Insurance	2,446	
Medical Insurance	470,985	
Dental Insurance	19,861	
Employer Medicare	19,602	
Other Contracted Services	182,682	
Instructional Supplies and Materials	11,373	
Textbooks - Bound	42,672	
Other Supplies and Materials	10	
Other Charges	5,548	
Total Alternative Instruction Program		2,468,584

Special Education Program

Teachers	\$ 10,505,457	
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(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	37,907	
Homebound Teachers		143,635	
Educational Assistants		2,511,820	
Speech Pathologist		2,026,569	
Other Salaries and Wages		92,698	
Certified Substitute Teachers		54,442	
Non-certified Substitute Teachers		122,093	
Social Security		881,370	
Pensions		1,445,988	
Life Insurance		19,972	
Medical Insurance		4,681,026	
Dental Insurance		197,805	
Employer Medicare		207,136	
Contracts with Private Agencies		116,410	
Maintenance and Repair Services - Equipment		1,119	
Other Contracted Services		28,594	
Instructional Supplies and Materials		63,008	
Software		500	
Other Supplies and Materials		16,644	
Other Charges		16,165	
Special Education Equipment		28,338	
Total Special Education Program			\$ 23,198,696

Career and Technical Education Program

Teachers	\$	6,479,086	
Career Ladder Program		25,245	
Educational Assistants		14,833	
Certified Substitute Teachers		85,687	
Non-certified Substitute Teachers		23,843	
Social Security		385,892	
Pensions		587,356	
Life Insurance		10,353	
Medical Insurance		1,419,165	
Dental Insurance		62,611	
Employer Medicare		90,670	
Maintenance and Repair Services - Equipment		9,927	
Other Contracted Services		2,349	
Instructional Supplies and Materials		117,589	
Textbooks - Bound		1,000	
Fee Waivers		875	
Other Charges		9,175	
Vocational Instruction Equipment		335,978	
Total Career and Technical Education Program			9,661,634

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)Support ServicesAttendance

Supervisor/Director	\$	75,409	
Clerical Personnel		33,091	
Other Salaries and Wages		194,115	
Social Security		17,169	
Pensions		33,544	
Life Insurance		454	
Medical Insurance		97,102	
Dental Insurance		4,490	
Employer Medicare		4,015	
Travel		2,072	
Software		56,475	
Other Supplies and Materials		1,972	
In Service/Staff Development		1,321	
Other Charges		3,088	
Attendance Equipment		399	
Total Attendance			\$ 524,716

Health Services

Supervisor/Director	\$	50,563	
Medical Personnel		1,262,471	
Other Salaries and Wages		209,904	
Social Security		87,662	
Pensions		135,220	
Life Insurance		874	
Medical Insurance		430,568	
Dental Insurance		18,888	
Employer Medicare		20,505	
Communication		13,358	
Postal Charges		5,600	
Travel		16,004	
Other Contracted Services		28,238	
Drugs and Medical Supplies		31,117	
Other Supplies and Materials		17,206	
In Service/Staff Development		10,362	
Other Charges		200	
Health Equipment		31,762	
Other Equipment		37,393	
Other Construction		102,015	
Total Health Services			2,509,910

Other Student Support

Career Ladder Program	\$	13,460	
Guidance Personnel		3,539,843	
Clerical Personnel		199,685	
Other Salaries and Wages		287,007	
Social Security		232,508	

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

Pensions	\$	371,931	
Life Insurance		5,403	
Medical Insurance		958,314	
Dental Insurance		38,215	
Employer Medicare		54,672	
Evaluation and Testing		73,832	
Other Contracted Services		5,543	
Software		90,612	
Other Supplies and Materials		2,703	
Other Charges		361	
Total Other Student Support			\$ 5,874,089

Regular Instruction Program

Supervisor/Director	\$	858,238	
Career Ladder Program		28,182	
Librarians		2,741,719	
Instructional Computer Personnel		316,674	
Secretary(ies)		95,748	
Clerical Personnel		236,183	
Educational Assistants		24,082	
Other Salaries and Wages		310,655	
Social Security		261,041	
Pensions		420,904	
Life Insurance		9,037	
Medical Insurance		947,685	
Dental Insurance		41,485	
Employer Medicare		63,086	
Travel		27,175	
Other Contracted Services		53,072	
Library Books/Media		217,680	
Office Supplies		1,327	
Software		31,569	
Other Supplies and Materials		27,572	
In Service/Staff Development		51,332	
Other Charges		8,922	
Other Equipment		12,033	
Total Regular Instruction Program			6,785,401

Alternative Instruction Program

Supervisor/Director	\$	240,508	
Career Ladder Program		6,985	
Guidance Personnel		119,982	
Librarians		11,228	
Secretary(ies)		43,668	
Clerical Personnel		34,369	
Social Security		18,683	

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Pensions	\$	31,063	
Life Insurance		322	
Medical Insurance		73,817	
Dental Insurance		3,115	
Employer Medicare		6,338	
Other Contracted Services		2,308	
Library Books/Media		5,000	
Office Supplies		11,064	
Other Charges		4,738	
Total Alternative Instruction Program			\$ 613,188

Special Education Program

Supervisor/Director	\$	535,375	
Career Ladder Program		9,980	
Psychological Personnel		498,834	
Secretary(ies)		54,524	
Clerical Personnel		90,259	
Speech Pathologist		77,893	
Other Salaries and Wages		462,349	
Social Security		100,184	
Pensions		166,027	
Life Insurance		3,180	
Medical Insurance		428,002	
Dental Insurance		18,587	
Employer Medicare		23,430	
Consultants		8,561	
Contracts with Private Agencies		60,170	
Maintenance and Repair Services - Equipment		3,480	
Travel		69,365	
Other Contracted Services		24,900	
Software		1,250	
Other Supplies and Materials		94,686	
In Service/Staff Development		18,687	
Other Charges		7,141	
Other Equipment		5,216	
Total Special Education Program			2,762,080

Career and Technical Education Program

Supervisor/Director	\$	67,475	
Secretary(ies)		24,609	
Social Security		5,284	
Pensions		9,018	
Life Insurance		116	
Medical Insurance		29,906	
Dental Insurance		1,024	
Employer Medicare		1,236	

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Career and Technical Education Program (Cont.)

Travel	\$	25,571	
Other Contracted Services		70	
Other Supplies and Materials		2,195	
In Service/Staff Development		2,362	
Other Charges		4,089	
Other Equipment		1,000	
Total Career and Technical Education Program			\$ 173,955

Technology

Supervisor/Director	\$	74,650	
Computer Programmer(s)		443,018	
Data Processing Personnel		360,919	
Clerical Personnel		21,913	
Other Salaries and Wages		143,076	
Social Security		61,312	
Pensions		122,620	
Life Insurance		1,543	
Medical Insurance		250,172	
Dental Insurance		9,915	
Employer Medicare		14,339	
Communication		5,930	
Maintenance and Repair Services - Equipment		2,210	
Internet Connectivity		368,498	
Travel		367	
Other Contracted Services		23,014	
Gasoline		10,317	
Office Supplies		1,642	
Software		408,686	
Other Supplies and Materials		2,823	
In Service/Staff Development		17,260	
Other Charges		2,852	
Data Processing Equipment		283,273	
Total Technology			2,630,349

Board of Education

Other Salaries and Wages	\$	10,709	
Board and Committee Members Fees		66,000	
Social Security		2,976	
Unemployment Compensation		37,490	
Employer Medicare		1,112	
Other Fringe Benefits		2,033,104	
Audit Services		28,000	
Dues and Memberships		54,675	
Legal Services		702,907	
Travel		3,387	
Other Contracted Services		84,183	

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Board of Education (Cont.)

Software	\$	9,000	
Other Supplies and Materials		594	
Liability Insurance		302,369	
Trustee's Commission		1,764,308	
Workers' Compensation Insurance		771,715	
In Service/Staff Development		3,145	
Refund to Applicant for Criminal Investigation		13,103	
Other Charges		45,909	
Administration Equipment		7,182	
Total Board of Education			\$ 5,941,868

Director of Schools

County Official/Administrative Officer	\$	194,521	
Career Ladder Program		1,200	
Secretary(ies)		101,251	
Other Salaries and Wages		41,597	
Social Security		14,137	
Pensions		29,886	
Life Insurance		585	
Medical Insurance		36,050	
Dental Insurance		1,202	
Employer Medicare		4,851	
Communication		193,591	
Dues and Memberships		8,747	
Postal Charges		37,341	
Travel		2,373	
Other Contracted Services		1,021	
Office Supplies		2,402	
Other Charges		624	
Administration Equipment		1,547	
Total Director of Schools			672,926

Office of the Principal

Principals	\$	3,943,090	
Career Ladder Program		30,000	
Assistant Principals		3,295,160	
Secretary(ies)		1,039,438	
Clerical Personnel		1,467,553	
Social Security		560,095	
Pensions		940,603	
Life Insurance		19,879	
Medical Insurance		2,921,782	
Dental Insurance		123,171	
Employer Medicare		131,019	
Office Supplies		464,384	
Software		20,304	
Administration Equipment		29,930	
Total Office of the Principal			14,986,408

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	121,642	
Internal Audit Personnel		166,283	
Accountants/Bookkeepers		155,711	
Purchasing Personnel		105,754	
Secretary(ies)		35,100	
Clerical Personnel		87,847	
Other Salaries and Wages		477,378	
Social Security		67,400	
Pensions		128,553	
Life Insurance		1,224	
Medical Insurance		256,277	
Dental Insurance		12,062	
Employer Medicare		15,880	
Advertising		5,263	
Communication		752	
Dues and Memberships		1,523	
Maintenance and Repair Services - Equipment		4,784	
Travel		3,503	
Other Contracted Services		30,058	
Office Supplies		6,285	
Software		459,162	
Other Supplies and Materials		13,435	
In Service/Staff Development		4,377	
Other Charges		272	
Administration Equipment		8,379	
Total Fiscal Services			\$ 2,168,904

Human Services/Personnel

Supervisor/Director	\$	84,150
Secretary(ies)		26,977
Clerical Personnel		250,088
Other Salaries and Wages		28,301
Social Security		22,823
Pensions		44,344
Life Insurance		207
Medical Insurance		99,032
Dental Insurance		3,380
Employer Medicare		5,341
Advertising		5,122
Communication		1,370
Dues and Memberships		2,477
Maintenance and Repair Services - Equipment		120
Travel		3,754
Other Contracted Services		2,475
Office Supplies		2,724
Software		53,863

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Human Services/Personnel (Cont.)

In Service/Staff Development	\$	1,780	
Other Charges		1,087	
Administration Equipment		2,067	
Total Human Services/Personnel			\$ 641,482

Operation of Plant

Custodial Personnel	\$	3,695,646	
Other Salaries and Wages		477,965	
Social Security		232,617	
Pensions		366,084	
Life Insurance		4,628	
Medical Insurance		1,143,849	
Dental Insurance		46,070	
Employer Medicare		56,175	
Communication		1,976	
Engineering Services		868	
Laundry Service		4,735	
Maintenance Agreements		367,485	
Pest Control		51,867	
Travel		438	
Disposal Fees		272,515	
Permits		11,825	
Other Contracted Services		108,182	
Custodial Supplies		659,969	
Electricity		5,614,963	
Gasoline		13,546	
Natural Gas		401,443	
Water and Sewer		1,167,705	
Software		21,910	
Other Supplies and Materials		41,503	
Building and Contents Insurance		348,912	
Other Charges		1,140	
Administration Equipment		1,278	
Furniture and Fixtures		122,776	
Plant Operation Equipment		43,956	
Total Operation of Plant			15,282,026

Maintenance of Plant

Supervisor/Director	\$	84,150	
Secretary(ies)		32,392	
Maintenance Personnel		2,578,724	
Other Salaries and Wages		98,858	
Social Security		157,170	
Pensions		321,978	
Life Insurance		4,677	
Medical Insurance		805,883	

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Dental Insurance	\$	31,591	
Employer Medicare		37,335	
Communication		5,449	
Laundry Service		24,079	
Maintenance and Repair Services - Buildings		203,528	
Maintenance and Repair Services - Equipment		124,280	
Maintenance and Repair Services - Vehicles		9,729	
Travel		7,678	
Other Contracted Services		156,384	
Equipment and Machinery Parts		152,200	
Gasoline		112,816	
Software		16,179	
Other Supplies and Materials		1,055,395	
In Service/Staff Development		7,987	
Other Charges		1,736	
Administration Equipment		6,244	
Maintenance Equipment		244,456	
Total Maintenance of Plant			\$ 6,280,898

Transportation

Supervisor/Director	\$	74,284	
Mechanic(s)		367,397	
Bus Drivers		2,717,110	
Clerical Personnel		28,392	
Other Salaries and Wages		660,330	
Social Security		205,983	
Pensions		447,474	
Life Insurance		4,972	
Medical Insurance		2,286,877	
Dental Insurance		94,062	
Employer Medicare		48,185	
Communication		6,396	
Laundry Service		1,698	
Maintenance and Repair Services - Vehicles		46,677	
Other Contracted Services		60,304	
Diesel Fuel		716,787	
Garage Supplies		7,817	
Gasoline		10,464	
Lubricants		31,292	
Tires and Tubes		114,146	
Vehicle Parts		292,709	
Software		16,868	
Other Supplies and Materials		5,562	
Vehicle and Equipment Insurance		444,294	
In Service/Staff Development		3,703	
Other Charges		64,417	
Transportation Equipment		549,651	
Total Transportation			9,307,851

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	79,696	
Career Ladder Program		1,000	
Clerical Personnel		121,191	
Cafeteria Personnel		3,170,032	
Other Salaries and Wages		201,102	
Social Security		190,647	
Pensions		369,819	
Life Insurance		5,162	
Medical Insurance		1,788,017	
Dental Insurance		73,512	
Employer Medicare		45,012	
Communication		2,212	
Maintenance and Repair Services - Equipment		61,074	
Travel		19,685	
Other Contracted Services		61,441	
Food Preparation Supplies		364,550	
Food Supplies		4,772,688	
Office Supplies		15,147	
Utilities		236,836	
USDA - Commodities		891,031	
Software		9,980	
Other Supplies and Materials		802	
In Service/Staff Development		23,481	
Other Charges		2,974	
Food Service Equipment		71,079	
Total Food Service			\$ 12,578,170

Community Services

Supervisor/Director	\$	321,378
Clerical Personnel		16,025
Educational Assistants		96,066
Other Salaries and Wages		873,353
Social Security		76,474
Pensions		84,551
Life Insurance		683
Medical Insurance		204,253
Dental Insurance		9,270
Employer Medicare		18,417
Communication		6,598
Travel		3,257
Other Contracted Services		24,661
Food Supplies		72,724
Software		6,928
Other Supplies and Materials		115,475
In Service/Staff Development		7,512
Other Charges		118,576

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Data Processing Equipment	\$	123,777	
Furniture and Fixtures		27,405	
Other Equipment		386	
Other Capital Outlay		304,419	
Total Community Services			\$ 2,512,188

Early Childhood Education

Teachers	\$	57,299	
Social Security		3,390	
Pensions		5,203	
Life Insurance		116	
Medical Insurance		6,656	
Dental Insurance		269	
Employer Medicare		793	
Communication		1,819	
Travel		2,123	
Instructional Supplies and Materials		18,110	
Other Supplies and Materials		319	
In Service/Staff Development		2,080	
Other Charges		1,441	
Other Equipment		3,549	
Total Early Childhood Education			103,167

Capital Outlay

Regular Capital Outlay

Building Construction	\$	224,460	
Building Improvements		253,717	
Data Processing Equipment		99,903	
Furniture and Fixtures		270,634	
Other Equipment		101,850	
Other Construction		370,639	
Other Capital Outlay		156,202	
Total Regular Capital Outlay			1,477,405

Total General Purpose School Fund \$ 241,867,664

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	999,948	
Educational Assistants		808,638	
Other Salaries and Wages		305,835	
Certified Substitute Teachers		12,800	
Non-certified Substitute Teachers		3,570	
Social Security		121,321	
Pensions		213,516	

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

School Federal Projects Fund (Cont.)Instruction (Cont.)Regular Instruction Program (Cont.)

Life Insurance	\$	3,722	
Medical Insurance		696,511	
Dental Insurance		28,849	
Employer Medicare		28,392	
Tuition		696	
Other Contracted Services		5,759	
Instructional Supplies and Materials		203,638	
Other Supplies and Materials		30,749	
Other Charges		4,947	
Regular Instruction Equipment		286,433	
Total Regular Instruction Program			\$ 3,755,324

Alternative Instruction Program

Educational Assistants	\$	26,299	
Social Security		1,625	
Pensions		3,034	
Life Insurance		32	
Dental Insurance		263	
Employer Medicare		380	
Total Alternative Instruction Program			31,633

Special Education Program

Teachers	\$	32,102	
Educational Assistants		1,439,598	
Speech Pathologist		52,088	
Social Security		77,706	
Pensions		176,365	
Life Insurance		1,985	
Medical Insurance		1,015,546	
Dental Insurance		43,970	
Employer Medicare		18,233	
Contracts with Private Agencies		7,020	
Maintenance and Repair Services - Equipment		1,194	
Other Contracted Services		15,368	
Instructional Supplies and Materials		35,444	
Other Supplies and Materials		10,305	
Other Charges		676	
Special Education Equipment		33,252	
Total Special Education Program			2,960,852

Career and Technical Education Program

Instructional Supplies and Materials	\$	32,522	
Other Supplies and Materials		4,018	
Vocational Instruction Equipment		194,487	
Total Career and Technical Education Program			231,027

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services

Health Services

Medical Personnel	\$	119,126	
Social Security		6,795	
Pensions		11,134	
Life Insurance		120	
Medical Insurance		35,937	
Dental Insurance		1,711	
Employer Medicare		1,589	
Total Health Services			\$ 176,412

Other Student Support

Social Workers	\$	40,035	
Other Salaries and Wages		38,025	
Social Security		3,854	
Pensions		6,841	
Life Insurance		83	
Medical Insurance		6,613	
Dental Insurance		267	
Employer Medicare		1,075	
Evaluation and Testing		1,095	
Travel		60,500	
Other Contracted Services		6,928	
Other Supplies and Materials		38,898	
In Service/Staff Development		26,000	
Other Charges		8,014	
Total Other Student Support			238,228

Regular Instruction Program

Supervisor/Director	\$	60,586	
Instructional Computer Personnel		64,682	
Secretary(ies)		26,099	
Clerical Personnel		10,241	
Other Salaries and Wages		84,410	
Social Security		14,262	
Pensions		25,036	
Life Insurance		452	
Medical Insurance		45,376	
Dental Insurance		2,265	
Employer Medicare		3,336	
Travel		5,028	
Other Contracted Services		60,000	
Other Supplies and Materials		6,663	
In Service/Staff Development		231,019	
Other Charges		95,202	
Other Equipment		1,894	
Total Regular Instruction Program			736,551

(Continued)

Exhibit K-9

Sumner County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sumner County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	75,074	
Psychological Personnel		468,821	
Other Salaries and Wages		971,116	
Social Security		87,358	
Pensions		139,397	
Life Insurance		2,740	
Medical Insurance		382,117	
Dental Insurance		15,720	
Employer Medicare		20,430	
Consultants		3,476	
Maintenance and Repair Services - Equipment		1,210	
Travel		8,078	
Other Contracted Services		5,645	
Other Supplies and Materials		36,768	
In Service/Staff Development		5,520	
Other Charges		6,621	
Other Equipment		1,482	
Total Special Education Program			\$ 2,231,573

Technology

Other Equipment	\$	950	
Total Technology			950

Transportation

Contracts with Parents	\$	5,574	
Total Transportation			5,574

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	304,540	
Social Security		17,564	
Pensions		22,176	
Life Insurance		63	
Medical Insurance		20,869	
Dental Insurance		509	
Employer Medicare		4,208	
Travel		223	
Food Supplies		7,418	
Other Supplies and Materials		13,076	
In Service/Staff Development		3,285	
Other Charges		5,448	
Total Community Services			399,379

Total School Federal Projects Fund \$ 10,767,503

Total Governmental Funds - Sumner County School Department \$ 252,635,167

Sumner County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2018

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 24,428,650
Total Cash Receipts	<u>\$ 24,428,650</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 24,184,364
Trustee's Commission	244,286
Total Cash Disbursements	<u>\$ 24,428,650</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2017	<u>0</u>
Cash Balance, June 30, 2018	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Sumner County Executive and
Board of County Commissioners
Sumner County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumner County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Sumner County's basic financial statements, and have issued our report thereon dated March 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sumner County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sumner County's internal control. Accordingly, we do not express an opinion on the effectiveness of Sumner County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sumner County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001.

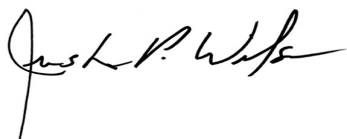
Sumner County's Response to the Finding

Sumner County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Sumner County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sumner County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 1, 2019

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**Report on Compliance for Each Major Federal Program; Report on Internal Control
Over Compliance; and Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Independent Auditor's Report

Sumner County Executive and
Board of County Commissioners
Sumner County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Sumner County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sumner County's major federal programs for the year ended June 30, 2018. Sumner County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sumner County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sumner County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Sumner County's compliance.

Opinion on Each Major Federal Program

In our opinion, Sumner County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Sumner County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sumner County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sumner County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

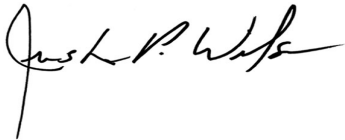
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumner County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Sumner County's basic financial statements. We issued our report thereon dated March 1, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 1, 2019

JPW/yu

Sumner County, Tennessee, and the Sumner County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2018

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	\$ 918,950 (7)
Child and Adult Care Food Program	10.558	(3)	26,284
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	(3)	1,529,120
National School Lunch Program	10.555	(3)	4,917,727 (7)
Fresh Fruit and Vegetable Program	10.582	(3)	35,768
Total U.S. Department of Agriculture			<u>\$ 7,427,849</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	34819	\$ 14,828
Total U.S. Department of Housing and Urban Development			<u>\$ 14,828</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 28,723
Total U.S. Department of the Interior			<u>\$ 28,723</u>
U.S. Department of Justice:			
Direct Program:			
Equitable Sharing Program	16.922	N/A	\$ 46,443
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	22155	51,000
Total U.S. Department of Justice			<u>\$ 97,443</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	(5)	\$ 645,617
Alcohol Open Container Requirements	20.607	Z-18THS-302	19,573
Highway Safety Cluster:			
National Priority Safety Programs	20.616	Z-18-THS-301	53,167
Total U.S. Department of Transportation			<u>\$ 718,357</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(6)	\$ 10,102
Total U.S. Institute of Museum and Library Services			<u>\$ 10,102</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(3)	\$ 4,101,969
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	(3)	5,532,644
Special Education - Preschool Grants	84.173	(3)	110,467
Career and Technical Education - Basic Grants to States	84.048	(3)	320,313
Education for Homeless Children and Youth	84.196	(3)	46,189
Twenty-first Century Community Learning Centers	84.287	(3)	408,724
English Language Acquisition State Grants	84.365	(3)	48,927
Supporting Effective Instruction State Grants	84.367	(3)	463,182
Student Support and Academic Enrichment Program	84.424	(3)	80,002
Total U.S. Department of Education			<u>\$ 11,112,417</u>

(Continued)

Sumner County, Tennessee, and the Sumner County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 46,350
Homeland Security Grant Program	97.067	(3)	114,829
Total U.S. Department of Homeland Security			<u>\$ 161,179</u>
Total Expenditures of Federal Awards			<u>\$ 19,570,898</u>

<u>State Grants</u>		<u>Contract Number</u>	
Litter Program - State Department of Transportation	N/A	(3)	\$ 73,999
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(3)	9,000
Law Enforcement Training - State Department of Public Safety	N/A	(3)	58,200
Lottery for Education: Afterschool Program - State Department of Education	N/A	(3)	311,482
Early Childhood Education - State Department of Education	N/A	(3)	105,147
Health Department Programs - State Department of Health	N/A	(3)	1,263,159
Family Resource Center - State Department of Education	N/A	(3)	29,981
Coordinated School Health Initiative - State Department of Education	N/A	(3)	154,804
Safe Schools Act - State Department of Education	N/A	(3)	140,595
Drug Court Grant Program - State Department of Mental Health and Substance Abuse Services	N/A	(3)	73,871
Connect Tenn - State Department of Education	N/A	(3)	76,622
Project Diabetes - State Department of Health	N/A	(3)	146,307
Teacher Leader District Grant - State Department of Education	N/A	(3)	5,000
Community Tree Planting Grant - State Department of Agriculture	N/A	(3)	7,228
Read to be Ready - State Department of Education	N/A	(3)	11,000
Work Based Learning - State Department of Economic and Community Development	N/A	(3)	6,672
Tennessee Equipment Grant - State Department of Education	N/A	(3)	284,593
Assessor Incentive Pay - Comptroller of the Treasury	N/A	(3)	2,000
STEM Grant - TN Office of the Secretary of State - State Library and Archives	N/A	(3)	913
Court Security Grant - State Commissioner of Finance and Administration	N/A	(3)	8,183
Walk Across Sumner Grant - State Department of Economic and Community Development	N/A	(3)	4,985
Total State Grants			<u>\$ 2,773,741</u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Sumner County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total is \$7,365,797; Special Education Cluster total is \$5,643,111.
- (5) Contract No. 150068: \$397,529; 150129: \$169,693; 80011: \$78,395.
- (6) Contract No. 30501-00118-48: \$1,752; 30501-00118-94: \$3,115; 30504-00517-76: \$652; 30504-00517-90: \$2,152; 30504-00517-109: \$2,431.
- (7) Total CFDA No. 10.555 is \$5,836,677.

Sumner County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2018

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Sumner County, Tennessee, for the year ended June 30, 2018.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>SUMNER COUNTY</u>					
2017	230	2017-001	Sumner County has not fully implemented the Financial Management Modernization System Private Act of 2012	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

SUMNER COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Sumner County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NO**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Nos. 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATED TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit of the financial statements of Sumner County, Tennessee, are presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

SUMNER COUNTY

FINDING 2018-001

SUMNER COUNTY HAS NOT FULLY IMPLEMENTED THE FINANCIAL MANAGEMENT MODERNIZATION SYSTEM PRIVATE ACT OF 2012

(Noncompliance Under *Government Auditing Standards*)

On June 18, 2012, the Sumner County Commission approved the Financial Management Modernization System of 2012. This act, in part, requires an integrated financial management and enterprise resource planning system that provides a "common platform...for all departments, agencies, commissions, boards, divisions, or offices" of Sumner County Government. The system should include all "budgeting, accounting, purchasing, payroll, cash management, human resources, such other financial matters necessary for an efficient financial system" and be fully implemented no later than June 18, 2016. As of the date of this report, the private act has not been fully implemented. Management has informed us that numerous difficulties interfered with their ability to implement the act in compliance with the date required by provisions of the private act. Also, this deficiency exists because management failed to correct this finding noted in the prior-year audit report.

RECOMMENDATION

Sumner County should comply with the Financial Management Modernization System Private Act of 2012 and the directives outlined in the corresponding implementation plan.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We agree with the finding and are working to correct.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2018.

Sumner County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2018

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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SUMNER COUNTY

2018-001	Sumner County has not fully implemented the Financial Management Modernization System Private Act of 2012:	
	Department of Finance	250
	Board of Education	251

SUMNER COUNTY, TENNESSEE
DEPARTMENT OF FINANCE
DAVID LAWING, DIRECTOR
355 North Belvedere Drive, Room 302
Gallatin, Tennessee 37066
Phone: (615) 451-6033

**FINDING: SUMNER COUNTY HAS NOT FULLY IMPLEMENTED THE FINANCIAL
MANAGEMENT MODERNIZATION SYSTEM PRIVATE ACT OF 2012**

Response and Corrective Action Plan Prepared by:
David Lawing, Director of Finance

Person Responsible for Implementing the Corrective Action:
David Lawing, Director of Finance

Anticipated Completion Date of Corrective Action:
March 1, 2021

Repeat Finding:
Yes

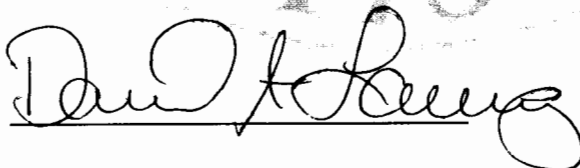
Reason Corrective Action was Not Taken in the Prior Year:
Still in the process of correcting the deficiency.

Planned Corrective Action:

Sumner County (the primary government) is in the process of amending the Financial Management and Modernization Act of 2012 to allow for the optional inclusion of the Sumner County School Department in the county's financial systems, in lieu of mandatory inclusion, and a flexible implementation timeline.

The county (primary government) will continue implementing its system in the most operational and cost-efficient manner practical. It is anticipated that the primary government will finish implementation within the next twenty-four months.

Signature:





Sumner County Board of Education

Del R. Phillips III, Ph.D.

Director of Schools

695 East Main Street Gallatin, TN 37066-2472

Phone: (615) 451-5200 Fax: (615) 451-5216

Corrective Action Plan

**FINDING: SUMNER COUNTY HAS NOT FULLY IMPLEMENTED THE FINANCIAL
MANAGEMENT MODERNIZATION SYSTEM PRIVATE ACT OF 2012**

Response and Corrective Action Plan Prepared by:
Amanda Prichard CPA, CGMA; CFO

Person Responsible for Implementing the Corrective Action:
Amanda Prichard CPA, CGMA; CFO

Anticipated Completion Date of Corrective Action:
06/30/2019

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The corrective action plan involved a legislative change.

Planned Corrective Action:
The 2012 Financial Management Act has been revised and is waiting on legislative approval.

Signature: _____

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Sumner County.

SUMNER COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF PURCHASING

Sumner County does not have a central system of purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the purchasing process. On June 18, 2012, Sumner County adopted a private act requiring centralized accounting and budgeting; however, the act states in part "...this 2012 Finance Act shall not serve as authorization to remove any purchasing activities or authority from the School System." The absence of a central system of purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Sumner County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing covering all county departments.